Thursday, November 17, 1960
Kartika 26, 1882(Saka)

LOK SABHA DEBATES

Second Series

Volume XLVII, 1960/1882 (*Saka*)

[*November 14 to 25, 1960/Kartika 23 to Agrahayana 4, 1882* (Saka)]

TWELFTH SESSION, 1960/1882 (*Saka*)

(*Vol. XLVII contains Nos. 1 to 10*)

LOK SABHA SECRETARIAT
NEW DELHI

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GMGIPND—LS II—1372 (Ai) LSD—3-12-60—901.

LOK SABHA

Thursday, November 17, 1960/Kartika 26, 1882 (Saka)

The Lok Sabha met at Eleven of the Clock.

[Mr. SPEAKER *in the Chair*]

समाचार पत्रों की बिक्री के आंकड़े

*१६६. श्री रघुनाथ सिंह :
श्री रान कृष्ण गुप्त :
श्री अजित सिंह सरहदी :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने समाचार-पत्रों की बिक्री के आंकड़े पता लगाने के लिये कोई ठोस कार्यवाही की है ;

(ख) क्या सरकार को मालूम है कि कई समाचार-पत्रों ने बिक्री के आंकड़े बहुत बढ़ा-चढ़ा कर बताये ताकि वे अखबारी कागज को चोर-बाजार में बेच कर धन कमा सकें, और

(ग) कितने समाचार-पत्रों ने गत तीन वर्षों में अपनी बिक्री के आंकड़ों में २५ प्रतिशत से अधिक की वृद्धि बताई है ?

The Parliamentary Secretary to the Minister of Information and Broadcasting (Shri A. C. Joshi): (a) and (b). Under Rule 6 of the Registration of Newspapers (Central) Rules, 1956, framed under the Press and Registration of Books Act, 1867, every newspaper is required to furnish each year to the Press Registrar a statement, containing *inter alia*, the average circulation of the paper. Where the claimed circulation of a newspaper exceeds 2,000, it should be certified by a chartered accountant or a qualified auditor, except in certain cases where the newspaper is also not for sale. In cases where there is reason to believe that the circulation claimed is exaggerated, references are made to the State Governments concerned for verification to the extent practicable. As these measures have proved inadequate, further steps are being taken to revise the form of declaraion and to undertake direct checks on the doubtful circulation claims of newspapers.

(c) The information is being collected.

Shri Raghunath Singh: Since the coming into force of the new rules, how many newspapers have been caught smuggling newsprint, especially in Calcutta?

The Minister of Information and Broadcasting (Dr. Keskar): There is a case going on against certain papers in Calcutta for black-marketing of newsprint. I have not goth the names here. But that case is being dealt with by the Ministry of Commerce and Industry.

श्री खादीवाला : क्या मंत्री महोदय का यह मालूम है कि एक ही नाम से जगह जगह से अखबार निकाले जाते हैं, जिनकी संख्या बहुत कम होती है लेकिन जो काफी कागज लेकर ब्लैक मार्केट करते हैं ? क्या ऐसी शिकायत सरकार के पास आई है ?

डा० केसकर : कुछ अखबारों के बारे में शिकायत तें आई हैं, लेकिन जैसा कि जवाब में कहा गया है जब तक हम इसकी

तहकीकात कर के और जांच कर के सिद्ध नहीं कर सकते तब तक किसी अखबार के बारे में कुछ कहना हमारे लिये कठिन है ।

Shri Tangamani: May I know whether there is any method by which there is a check-up to find out what is the capacity of the printing press and how much has been declared as the actual circulation of the paper?

Dr. Keskar: This question has now assumed practical importance simply because the question of allotting newsprint is there. Otherwise, formerly this was a case of registering the statistics which have been certified by competent auditors or chartered accountants. At present, because newsprint is in short supply and we have to allot newsprint, the question has assumed importance, and we are taking all steps regarding this matter. As far as practicable, the point raised by Shri Tangamani will also be kept in mind regarding this.

Shri Ansar Harvani: Has any newspaper been so far prosecuted for filing wrong returns of its circulation?

Dr. Keskar: No, Sir. But, as has been stated in the answer, legally we find that this might be difficult under the present form of filing declarations and so we propose to change the form of declaration, so that there is a legal responsibility in filing the declaration with the proprietor or the publisher.

Shri Assar: May I know whether it is a fact that government advertisements are given on the basis of circulation and, if so, what machinery Government have got to check the circulation number?

Dr. Keskar: It would not be entirely correct to say that Government is giving advertisements on the basis of circulation; but rather the rates of advertising in the commercial market are fixed on the basis of circulation, and Government also takes the prevailing commercial rate into consideration.

Shri Tridib Kumar Chaudhuri: May I know whether Government maintains any liaison with the private firm ABC, the Audit Bureau of Circulation; and is any significance or value attached to the certificates given by that Bureau, the ABC certificates as they are popularly known?

Dr. Keskar: Well, there is no particular neeessity to maintain a constant liaison with the ABC, but we are in contact with the ABC. They are considered to be, in the newspaper trade the most important body for the matter of certifying circulation. They themselves are trying to tighten up their organisation for checking up circulation of papers.

Dr. Vijaya Ananda: Can there not be a provision to make newspapers disclose the exact print order in the newspaper itself?

Dr. Keskar: We have not got any proposal at the present time of the type mentioned by the hon. Member.

श्री भक्त दर्शन : पिछले दिनों इस संबंध के अधिनियम का इस सदन में संशोधन कराया गया था । क्या उस से शासन को इतने अधिकार नहीं मिले हैं कि वह कड़ाई से व्यवहार कर सके, और यदि नहीं, तो क्या इस अधिनियम में फिर से संशोधन करने का विचार किया जा रहा है ?

डा० केसकर : अधिकार तो कुछ हैं, और, जैसा मैं ने कहा, सर्कुलेशन के फिगर्स देने का भी जो डिक्लेरेशन है उस को इस प्रकार बदलने की जरूरत है जिस से उस पर एक प्रकार की लीगल जिम्मेदारी आ पड़े और झूठा डिक्लेरेशन फाइल करने के बारे में जो लीगल इम्प्लिकेशन होता है वह आ जाय । लेकिन साथ ही साथ इस मामले में हम ऐसा कदम नहीं उठाना चाहते हैं जिस से अखबारों को और अखबारों के प्रेसेज को एक प्रकार से सताने का रूप हो जाये । जहां हम समझें कि बहुत पक्का सबूत है वहीं इस मामले में आगे बढ़ना योग्य और मुनासिब होगा ।

श्री ब्रजराज सिंह : अभी मिनिस्टर महोदय ने मंजूर किया कि सर्कुलेशन के आधार पर विज्ञापन दिये जाते हैं और देश की सब से बड़ी विज्ञापक खुद हमारी सरकार है, इस बात को देखते हुए झूठे सर्कुलेशन के आंकड़े प्रकाशित कर के जो बड़े अखबार सरकार से अनधिकृत रूप से कुछ रुपया वसूल कर लेते हैं, उन के खिलाफ सरकार क्या कोई सख्त कदम जल्दी ही उठाने की सोचती है या नहीं, या सिर्फ यह कह कर कि हम कहीं ऐसा कदम न लें जिस से सताने वाली बात हो जाय, इस मामले को टालना चाहती है ?

डा० केसकर : मुनासिब कदम उठाने की जरूर कोशिश की जायेगी, लेकिन यह बात सही नहीं है कि केवल सर्कुलेशन के आधार पर रेट तय होता है, बल्कि ऐसे भी उदाहरण मौजूद हैं जहां अगर तुलनात्मक दृष्टि से देखा जाय तो अखबार का सर्कुलेशन बहुत कम है, लेकिन उन की दर उन अखबारों से कहीं ज्यादा है जिन का सर्कुलेशन ज्यादा है । क्योंकि अखबार की जो स्टैंडिंग है उस के आधार पर भी उस की दर तय होती है । जब दर तय करने का सवाल आता है तो सरकार और चीजों के साथ साथ सर्कुलेशन का भी खयाल करती है ।

श्री भ० दी० मिश्र : क्या सरकार को मालूम है कि कागज की कमी के कारण बाजार में काफी भ्रष्टाचार अर्थात् ब्लैक मार्केटिंग के साथ कागज मिल रहा है ?

डा० केसकर : यह ठीक है, लेकिन मैं माननीय सदस्य का ध्यान दिलाना चाहता हूं कि कागज का मामला इस मंत्रालय के अधीन नहीं है, यह कामर्स और इंडस्ट्री मंत्रालय के अधीन है ।

Price Policy Committee

*170. **Shri B. C. Mullick:**
Shri D. C. Sharma:
Shri Prakash Vir Shastri:
Shri Morarka:
Shri Supakar:
Shri Harish Chandra Mathur:
Shri Rameshwar Tantia:
Shri Ajit Singh Sarhadi:
Shri Aurobindo Ghosal:
Shri Rami Reddy:
Shri Hem Raj:
Dr. Ram Subhag Singh:
Shri Tangamani:
Shri M. K. Kumaran:
Shri Ram Garib:
Shri Bimal Ghose:

Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that the National Development Council has appointed a sub-committee to devise means to hold the price-line;

(b) if so, what are the recommendations of this committee; and

(c) what steps Government propose to take to implement these suggestions?

The Deputy Minister of Planning and Labour and Employment (Shri L. N. Mishra): (a) Yes. The National Development Council constituted a committee to consider problems relating to price policy for the Third Five Year Plan.

(b) The committee has held three meetings. Its suggestions are being considered.

(c) Does not arise.

श्री प्रकाशवीर शास्त्री : क्या मैं जान सकता हूं कि राष्ट्रीय विकास परिषद् जो भावों को स्थिर रखने की दिशा में कार्य कर रही है, तो प्रारम्भ में किन किन वस्तुओं के भावों के संबंध में नियंत्रण करने का विचार किया जा रहा है ?

श्री ल० ना० मिश्र : अभी किसी एक चीज का नाम लेना कठिन है , लेकिन

गत अधिवेशन में तीसरी पंचवर्षीय योजना पर बहस हुई थी उस में योजना मंत्री ने प्रकाश डाला था कि प्रधान खाद्य पदार्थों और व्यवसाय को जो भी मुख्य चीजें हैं उन के दामों पर कुछ एक कंट्रोल रखा जाए इस पर सोचा जा रहा है ।

Shri Morarka: May I know whether this committee has recommended any means of increasing production or whether this committee has recommended only controlling the prices by fiscal controls, etc.?

Shri L. N. Mishra: So far the committee has not made any suggestions. The committee is working and has not made any final recommendations.

The Minister of Labour and Employment and Planning (Shri Nanda): The main direction of policy in the matter of prices is to increase production and that is the objective of the whole Plan, various programmes, etc.

Shri Supakar: May I know who are the members of this sub-committee and when they are likely to submit their final report? Will the report be submitted before the third Plan becomes finally ready?

Shri L. N. Mishra: There are 13 members of this committee—the Chief Ministers of West Bengal, Madhya Pradesh, Uttar Pradesh, Maharashtra, Orissa and Madras, the Minister of Home Affairs, the Minister of Finance.

Mr. Speaker: And others.

Shri L. N. Mishra: So far as the date of submission of the report is concerned, it is difficult to say anything.

Shri Bimal Ghose: May I know if this committee will also examine the reasons why the price-line could not be held in the second Plan period?

Shri L. N. Mishra: Of course, the committee discussed these things—the difficulty in controlling the prices, keeping it within manageable limits, etc.

Shri Tangamani: The Deputy Minister has admitted that the prices of food and other utility goods have gone up recently. The Reserve Bank Governor also has stated that the price-line is wavering in the upward direction in certain commodities. May I know whether the committee will be asked to make concrete suggestions even before the third Plan period starts, in view of the fact that the trend is in the upward direction?

The Deputy Minister of Planning (Shri S. N. Mishra): Not only has the committee studied this problem, but many things have to be done in the Planning Commission and in the Ministry of Finance as well. It is of course quite certain that the recommendations with regard to the price policy will have to be finalised much before the third Plan is finalised. We are constantly at it.

Shri Tridib Kumar Chaudhuri: Is it not a fact that the National Development Council took a decision that the price-line could be held in the third Plan? May I know in this connection what is meant by price-line being held during the Plan—at the beginning of the third Plan or at the end? Has any time target been given to the committee?

Shri S. N. Mishra: With regard to certain essential commodities like foodgrains, it is generally considered that the prices prevailing at the moment should prevail during the course of the third Plan. I may also point out that there are very welcome trends with regard to foodgrains prices, particularly rice. The rice prices running now are the lowest during the last three or four years. We have yet to see whether it is only a seasonal trend or it indicates the emergence of a downward movement.

Shri Palaniyandy: What are the terms of reference of this sub-committee? Is it to consider the prices of only food products or of industrial goods also?

Shri S. N. Mishra: The whole gamut of this problem has to be studied by

the committee. No specific terms of reference have been given to the committee. They have to consider how prices have to be kept within manageable limits.

Shri Harish Chandra Mathur: Is this a standing committee or is this committee supposed to give its final recommendations before the next meeting of the National Development Council and the final decision will be taken by the Planning Commission?

Shri S. N. Mishra: The nature of this committee is not that of a standing committee. This is a specific problem remitted to this committee. So far as the next meeting of the National Development Council is concerned, it is quite certain that the results of the labours of the committee would be conveyed to them.

Shri Ajit Singh Sarhadi: Before devising means to hold the price-line, has any economic survey been taken yet to know what is the economic price which the agriculturists should be paid before holding up is resorted to?

Shri S. N. Mishra: All these relevant considerations have, of course, to be kept in mind. Probably the hon. Member is referring to the cost of production so far as the producers are concerned. All these are very important questions to be kept in mind.

Shri Ajit Singh Sarhadi: Has any economic survey been taken as yet to know what should be the economic price of the food products?

Shri S. N. Mishra: No; I have no information on that point. The only thing I can share with the hon. Members is that some farm management studies have been done by the Food and Agriculture Ministry. But I do not know whether these studies yield sufficiently useful information on this point.

Shri Tangamani: We were told on a precious occasion that a Price Stabilisation Committee has been set up by the Ministry of Food and Agriculture. May I know whether that committee will also work in conjunction with this committee or the two will function separately?

The Minister of Food and Agriculture (Shri S. K. Patil): That idea of having not Price Stabilisation Committee, but Agricultural Commodities Advisory Committee is not given up. It is being pursued and the present trend in agricultural commodities makes its coming into being very necessary, in my view. That idea is not dropped.

Shri S. M. Banerjee: This committee met on 12th and 13th September, 1960 after the strike of the Central Government employees. As the Government has unfortunately failed to hold the price-line, will it now consider the demand of the Central Government employees for a revision in the dearness allowance?

Mr. Speaker: We are going away from one question to another. Next question. (*Interruptions*).

Shri S. M. Banerjee: My question has not been replied to.

Mr. Speaker: It is not relevant.

Import of Cotton from U.S.A.

*171. **Shri Rajendra Singh:**
Shri Nardeo Snatak:
Shri Indrajit Gupta:
Shrimati Ila Palchoudhury:
Shri D. C. Sharma:
Shri Ajit Singh Sarhadi:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government proposes to import U.S. cotton;

(b) what arrangements are being made to pay the price of the imported cotton; and

(c) what is the total quantity of cotton being imported under this agreement?

The Minister of Commerce (Shri Kanungo): (a) In addition to the cotton already imported, negotiations are in progress for import of further quantities of cotton from U.S.A. under the P.L. 480 Programme.

(b) The proposal is to pay for the cotton in Indian rupees.

(c) As the proposal is under negotiation the quantity that may be available is uncertain.

Shri Indrajit Gupta: May I know how the price of this cotton which is to be imported from the United States compares with the price of cotton which we import normally from other countries? May I also know whether the attention of the Government has been drawn to Press reports that some of those countries from which we traditionally import cotton have expressed great concern at the fact that we are now going to import from America and this may effect the imports from those countries?

Shri Kanungo: Under the PL 480 programme one of the conditions is that the normal imports from USA as well as other countries have got to be maintained, and we have been maintaining, as far as possible, the normal imports, as in the past, from the United States of America as well as other countries.

Shri Indrajit Gupta: What about the prices?

Shri Kanungo: The cotton prices are very fluctuating. The PL 480 cotton which we have imported compares favourably with international prices then obtaining.

Shri Tyagi: Has any care been taken to see that the bulk of the cloth manufactured out of this imported cotton is used for export trade only?

Shri Kanungo: No, Sir. Formerly, we were confining our imports to long staple cotton. Now, for the last two or three years, we were having poor crops in India. Therefore, under PL 480 we are importing some short staple cotton also. So, the short staple cotton cloth is used for exports as well as for internal consumption.

Shri Ajit Singh Sarhadi: May I know whether these negotiations are on a long term basis or on a short term basis to meet the temporary deficiency?

Shri Kanungo: This particular negotiation which we are now conducting is on a long term basis.

Shri Heda: The hon. Minister could not give the figures of quantities that we are negotiating for. May we know our needs or requirements?

Shri Kanungo: Our needs in the past three years have been very uncertain because everything depends upon the crop conditions in the country.

Shri Heda: I am asking about the present needs.

Shri Kanungo: Our crop production in 1947 was 21 lakh bales. In 1957-58 we had a crop of 51 lakhs bales. Then it dropped down to 37 lakhs bales. It all depends upon the vagaries of weather.

Shri D. C. Sharma: There is a complaint that the supply of cotton is not done in time and, therefore, the textile mills have been suffering. Is there any truth in it?

Shri Kanungo: Yes, Sir. Because of the short crop in the country and lack of foreign exchange for imports, there is bound to be shortage.

Shrimati Ila Palchoudhuri: May I know whether after these deals come through the supply to the mills will be uninterrupted in future?

Shri Kanungo: That is the purpose for which we are negotiating.

Shri Raghunath Singh: May I know the rates for Egyptian and American cotton.

Shri Kanungo: The prices vary from month to month and, sometimes,

even from week to week. I have not got the prices with me. I said earlier the prices at the time of negotiation and purchase were comparable to the international prices for the same category.

Shrimati Renu Chakravartty: In view of the fact that the hon. Minister has stated that nothing beyond the normal imports are going to be imported this year, may I know whether the hon. Minister can assure us that the amount that is going to be imported this year is not going to exceed the amount which was imported during last year from the United States of America?

Shri Kanungo: No, Sir. I am afraid, I have not made myself clear. I said that the condition is that the PL 480 imports will be something extra, in addition to the normal imports.

श्री प्रकाश वीर शास्त्री : क्या मैं जान सकता हूं कि पिछले वर्षों की अपेक्षा इस वर्ष रूई का उत्पादन भारत वर्ष में कुछ अधिक हुआ है या कम हुआ है और यदि अधिक हुआ है तब फिर बाहर से आयात करने की क्या आवश्यकता है ?

श्री कानूनगो : रूई का उत्पादन देश में काफी हुआ है । वैसे सन् १९४७ में २१ लाख बेल्स् हुआ था, सन् १९५७ में ५१ लाख बेल्स् हुआ था लेकिन कभी कभी उत्पादन गिर भी जाता है जैसे कि सन् ५२ में वह ३१ लाख बेल्स् हो गया और सन् १९५९–६० में ३७ लाख बेल्स् रह गया । उत्पादन अनसर्टेन होता है ।

Shri Harish Chandra Mathur: There was a proposal to build up a buffer stock of cotton so that the supply could be regular and smooth. May I know whether that proposal has materialised and a buffer stock is going to be built out of this cotton?

Shri Kanungo: The purpose of this negotiation on a long term basis is to be sure of availability of cotton.

Shri Indrajit Gupta: May I know whether the approach for getting this excess supply of cotton under PL 480 was initially made from our side or was it the American Government which was anxious to dump the surplus stock of cotton on us?

Shri Kanungo: No, Sir. It was on our initiative and we are anxious to get that cotton.

Shri Anthony Pillai: What steps are being taken to ensure the even distribution of the imported cotton to textile mills in India, particularly in the South?

Shri Kanungo: At the present moment, the whole supply of cotton, both imported and indigenous, is rationed under the control orders.

Shri Harish Chandra Mathur: My question has not been answered. The hon. Food Minister told the House of building up a buffer stock of food. The hon. Minister of Commerce and Industry told us that, in the same way, he is going to have a buffer stock of cotton so that there is a regular supply to the mills. May I know whether that proposal has materialised?

Shri Kanungo: I mentioned that it is because of short supply of cotton that negotiations are going on so that we will be sure of supply of cotton. And the buffer stock need not physically be present at a particular place. As long as we are sure of supplies we are satisfied.

Shrimati Renu Chakravarity: May I know whether any representation has been made by the Government of UAR on this subject?

Shri Kanungo: I have answered earlier that one of the conditions of PL 480 cotton negotiations is that not only from the United States of America but from other countries also the normal imports have got to be maintained.

केन्द्रीय लोक निर्माण विभाग

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*१७२. { **श्री भक्त दर्शन :**
श्री स० चं० सामन्त :
श्री सुबोध हंसदा :

क्या निर्माण आवास और संभरण मंत्री २५ अगस्त, १९६० के तारांकित प्रश्न संख्या ७७२ के उत्तर के संबंध में यह बताने की कृपा करेंगे कि :

(क) डाक तथा तार विभाग के गृह निर्माण कार्य के लिये केन्द्रीय लोक निर्माण विभाग के अधीन जो एक अलग शाखा खोलने के बारे में विचार किया जा रहा था उस विषय में इस बीच क्या प्रगति हुई है ; और

(ख) यदि निश्चय हो गया है, तो योजना का ब्यौरा क्या है ?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). The sanction in respect of the setting up of a separate wing in the C.P.W.D. exclusively for the works programme of the Posts and Telegraphs Department has been issued. This wing will be headed by an Additional Chief Engineer and will have, for the present, four Civil and one Electrical Divisions.

श्री भक्त दर्शन : श्रीमन, मैं यह जानना चाहता हूं कि यह जो अलग विंग बनाया गया है तो क्या पी० एंड टी० बोर्ड का उस पर पूरा कन्ट्रोल होगा या प्रेजेंट मिनिस्ट्री उसके ऊपर कुछ अपना नियंत्रण रख सकेगी ?

Shri Anil K. Chand: No, Sir. It will be under the control of the Additional Chief Engineer, who will be closely associated with the D.G. P & T.

श्री भक्त दर्शन : क्या माननीय मंत्री के पास इस तरह के आंकड़े हैं कि दूसरी पंचवर्षीय योजना में डाक तार विभाग ने कितना धन सेंट्रल पब्लिक वर्क्स डिपार्टमेंट के डिस्पोजल पर रक्खा था, कितने मकान बनाये, कितना रुपया खर्च हुआ था गौर कितना रुपया लैप्स हुआ था ?

Shri Anil K. Chanda: During the last ten years it has been found that there have been lapses practically every year for various reasons. It was because of this that it was found necessary to have a separate wing exclusively entrusted with the work of P & T.

Shri S. C. Samanta: The hon. Minister stated that separate arrangements for a wing have been made. May I know whether the PWD will have all the staff or the P&T will have to supply some of them?

Shri Anil K. Chanda: Since this is a technical work the personnel will be from the CPWD.

Shri S. M. Banerjee: May I know whether the separate wing will comprise of the departmental labourers or it will also work under the contractors?

Shri Anil K. Chanda: It will depend upon circumstances. Generally speaking, maintenance work is done by the department and construction work through contractors.

Shri Jadhav: May I know whether it is a fact that there is no proper supervision over the construction of buildings for P. & T.? May I also know whether the recently constructed building for the Post Master-General, Madras, has developed so many cracks in it?

Shri Anil K. Chanda: With regard to the first part of the question, I deny the charge that there is not adequate supervision. With regard to the second question about the Post Master-General's office in Madras I have no information. I shall look into it.

Shri B. K. Gaikwad: The hon. Deputy Minister said that there are certain reasons for the amounts lapsing every year. May I know the main reason?

Shri Anil K. Chanda: The main reason, generally speaking, is the

non-availability of site at the proper time. There is also the difficulty of getting contractors to work in distant places.

Shri Thimmaiah: In certain places P&T acquires sites from the State Governments for the construction of buildings. May I know whether this wing will be in charge of acquiring sites from the State Governments for the purposes of the P&T?

Shri Anil K. Chanda: No, Sir. It will be for the P&T to secure the sites. We will only construct the buildings.

Shri Tangamani: In view of the past experience of delay, may I know whether this wing which has been set up will start execution of building programme for P&T from this year itself?

Shri Anil K. Chanda: Orders have just been issued and obviously the work will be taken up by this wing as soon as they get the required personnel.

Shri Ajit Singh Sarhadi: May I know whether this wing will function only at the Centre or in the States and regions also?

Shri Anil K. Chanda: The Additional Chief Engineer's office will be located in Delhi and the 5 Executive Engineers will be distributed among various parts of the country, according to the quantum of work involved.

Shri S. C. Samanta: May I know whether the amount lapsed last year can be spent this year and we can ensure that there will be no lapse in future?

Shri Anil K. Chanda: I think that question may be addressed to the Transport and Communications Ministry.

Shri Palaniyandy: May I know whether so many postal works, Industrial housing schemes and housing schemes lapse not having the proper supply of steel and whether the Government has co-ordination properly with the Ministry of Steel for the supply of steel for the buildings?

Shri Anil K. Chanda: I have already said that the main reason for the lapsing of certain grants in previous years had been the non-availability of the sites at the proper time and also occasionally our not being able to get the contractors to take up the work at the distant areas.

श्री भक्त दर्शन : क्या इस बात का अनुमान लगाया गया है कि अगले पांच या दस वर्षों में डाक तथा तार विभाग के कितनी कीमत के मकान बनाये जायेंगे और जो स्टाफ नियुक्त किया जा रहा है, क्या वह उसके लिये काफी होगा ? यदि नहीं, तो क्या और स्टाफ बढ़ाया जायगा ?

Shri Anil K. Chanda: Roughly speaking, during the last ten years, the construction work of the P&T has been of the order of Rs. 1 crore. From now on, the P & T are contemplating to have construction work for Rs. 2 crores, a year mounting to Rs. 6 crores.

Shrimati Ila Palchoudhuri: May I know whether special attention will be paid to the small district town post offices where the staff has increased almost double to what it used to be before and the buildings would be made bigger and this work given first priority?

Shri Anil K. Chanda: I have already said that it is for the administrative Ministry to decide the size and location of the post offices. This wing will be entrusted only with the construction part of the work.

Shri Sonavane: May I know whether there is any proposal to set up a similar construction wings for house construction in other ministries?

Shri Anil K. Chanda: No. For the Food and Agriculture Ministry, a special wing is being created for the construction of silos and godowns.

Trade Talks with Iraq and Afghanistan

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*173. **Shri Bahadur Singh:**
Shri Inder J. Malhotra:
Shri Bishwanath Roy:
Shri Ajit Singh Sarhadi:
Shri Raghunath Singh:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether an Indian Delegation visited Iraq recently to discuss with Iraqi Officials trade arrangements for the next year;

(b) the results of the talk;

(c) whether the trade will increase in any respect from the current year;

(d) whether on way back the Delegation held similar trade talks in Kabul with the Officials of the Government of Afghanistan; and

(e) if so, the results thereof?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Yes, Sir.

(b) Agreement was reached between India and Iraq regarding the exchange during 1960-61 of commodities of special interest to the two countries.

(c) It is hoped that the arrangements will facilitate larger exports from India of tea, engineering goods and other non-traditional items.

(d) Yes, Sir.

(e) The monetary ceiling for imports into India from Afghanistan during 1960-61 and the procedures for these imports were finalised in consultation with the Afghan authorities.

Shri Bahadur Singh: May I know the particular items in which there will be increase in the current year in the trade with Iraq particularly?

Shri Satish Chandra: The agreement continues to be the same as it was in the previous year. We shall be exporting tea, some engineering items, art silk goods, paints, varnishes and some of the non-traditional items which had not been exported in the past.

Shri Bishwanath Roy: May I know whether the Government has got any idea about the value of the commodities which are expected to be exported next year to these countries?

Shri Satish Chandra: It is difficult to answer on the basis of expectations. Roughly, we feel that the trade with Afghanistan will be of the order of Rs. 4 crores each way and in the case of Iraq, about Rs. 2½ crores.

Raja Mahendra Pratap: May I also ask a question? I happened to be in Kabul at the time the Indian Trade Mission was there. I learnt that the Indian traders there are having three main difficulties: (i) difficulty in getting licences; (ii) hindrance of trade through Pakistan, and (iii) there is no Indian Bank at Kabul. Will the Government consider the removing of these three difficulties?

Shri Satish Chandra: Pakistan will remain there between India and Afghanistan. As regards import licences, there are none between India and Afghanistan. Afghanistan sends its goods. We receive telegraphic communication that dry fruits have been despetched from there. Customs clearance permits are issued immediately. No import licences are issued.

Some Hon. Members: What about the bank at Kabul?

Shri Satish Chandra: We will request the Finance Ministry to look into it.

Shri Bahadur Singh: What will be the mode of repayment: sterling, rupee or barter?

Shri Satish Chandra: With Afghanistan, it is partially rupee arrangement by which money is credited here. The Afghan Bank keeps an account with the Reserve Bank and payments are made in rupees. In the case of Iraq, the idea is that there should be balanced trade. The payment question does not arise at the end of a year if trade is balanced.

Amendment to Delhi Shops and Establishments Act, 1954.

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*174. **Shri Tangamani:**
Shri Ram Krishan Gupta:
Shri Rameshwar Tantia:
Shri Prakash Vir Shastri:

Will the Minister of **Labour and Employment** be pleased to refer to the reply given to Starred Question No. 148 on the 4th August, 1960 and state whether Government have since taken any decision regarding amendments to Delhi Shops and Establishments Act, 1954?

The Deputy Minister of Labour (Shri Abid Ali): It has been decided to amend Section 15 of the Act and the necessary Bill will be introduced in the Lok Sabha shortly.

Amendment of Section 10 of the Act is still under examination.

Shri Tangamani: On the previous occasion we were told that the demand by the interested parties was for the amendment of sections 10, 11 and 15. Now the hon. Minister says that section 15 is going to be amended and they are considering the amendment of section 10. I would like to know whether they are going to consider the question of amending section 11 also.

Shri Abid Ali: By amending section 15, the suggestion for amending section 11 will not arise.

Metric Weights and Measures

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*175. **Shri D. C. Sharma:**
Shri Indrajit Gupta:
Shri P. K. Deo:
Shri Hem Raj:
Shri Wodeyar:
Dr. Ram Subhag Singh:
Shri Aurobindo Ghosal:
Shri Assar:
Shri Mohan Swarup:
Dr. Samantsinhar:
Shri P. G. Deb:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether metric system of weights has been introduced successfully throughout India;

(b) whether any difficulties have been felt by the general public in accepting it; and

(c) if so, the steps taken or proposed to be taken to remove them?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). The use of Metric weights has been permitted throughout the country, but has become compulsory only in specified areas in each State. Requisite number of new weights are, however, not available at some places and this shortage is expected to be removed in three to four months time. As metric weights have not been used for commercial transactions before, the people will take a little time to get familiar with them.

(c) Publicity is being carried on through visual media such as posters, folders, documentary film and demonstration of specimen weights. Tables for converting weights as well as prices have been and are being distributed free in very large numbers.

Shri D. C. Sharma: May I know by what time the whole country will be covered by metric weights so that the regional disparities between one part of the country and another will disappear?

Shri Satish Chandra: According to the programme, it should be October, 1962.

Shri D. C. Sharma: May I know why it was that there was no adequate supply of metric weights in the country and the persons who are using metric weights are put to great trouble?

Shri Satish Chandra: There was enough supply. Manufacturers had been licensed much in advance. A two year period was allowed during which the people could gradually change over. They waited up to the

last day and the demand came suddenly in one week. We hope that in three months time all the weights would be supplied.

सेठ अचल सिंह : क्या माननीय मंत्री यह जानते हैं कि बांटों की कमी की वजह से बांट ज्यादा कीमत पर बेचे जा रहे हैं और लोगों को धमकियां दी जा रही हैं कि अगर उनके पास बांट नहीं होंगे, तो उनके चालान किये जायेंगे ?

श्री सतीश चन्द्र : अभी तक कोई चालान नहीं हुआ है । तमाम स्टेट गवर्नमेंट्स ने अपने अफसरान को इस बात की हिदायत दी है कि जब तक सब आदमियों के पास वेट्स न पहुंच जायें और काफी तादाद में न हो जायें, तब तक चालान वगैरह न शुरू किये जायें ।

श्री खादीवाला : क्या माननीय मंत्री जी को यह बात मालूम है कि अभी तक ग्रामों और शहरों में मीट्रिक सिस्टम के संबंध में जानकारी प्राप्त नहीं हुई है और यह जोर दिया जा रहा है कि इस पद्धति को लागू किया जाये ?

श्री सतीश चन्द्र : जैसा कि मैंने अभी अर्ज किया है, पूरे मुल्क में जोर नहीं दिया जा रहा है । इसके लिये हर स्टेट में मुल्क के कुछ हिस्से, कुछ शहर या कुछ खास रकबे दो साल पहले चुन लिये गये थे, जहां दो साल पहले यह ताकीद की गई थी कि ये वेट्स दो साल के बाद लागू होंगे । उन्हीं इलाकों में ये वेट्स लागू किये जा रहे हैं और वहां काफी प्रचार किया गया है, वेट्स दिखाये गये हैं, इश्तहार बांटे गये हैं और कनवर्जन टेबल बांटे गये हैं ।

Shri Indrajit Gupta: May I know whether it is a fact that in certain parts of the country, particularly in West Bengal, some shop keepers were put to great difficulty by the fact that black-market has developed in the supply of these metric weights and they were being sold to them at over Rs. 100 per set of weights, with the result that many small shop keepers and traders could not afford to buy and they were put to great difficulties? What steps did the Government take to prevent this?

Mr. Speaker: He says that in three or four months the matter will be settled.

Shri Indrajit Gupta: For weights?

Mr. Speaker: The hon. Member has informed the House that trade is being carried on in black market in regard to metric weights and measures. How is the Government proposing to relieve this difficulty?

Shri Satish Chandra: In the State of West Bengal, only in the cities of Calcutta and Howrah the use of metric weights has become compulsory technically. There has been a shortfall in production there, and the progress has not been very satisfactory, but we are requesting the State Government to take steps immediately. If the production capacity there is not enough, weights can be supplied from outside. We have asked the West Bengal Government to look into this matter.

Shri Narasimhan: Are Government aware that in certain regions, particularly in the South, some of the manufacturers of these weights are not getting good supply of iron for production?

Shri Satish Chandra: There is no difficulty about the supply of pig iron in any part of the country today, and it is from pig iron that these weights are made.

Shri Sonavane: What steps are being taken in the State of Maharashtra in the matter of propaganda and production of weights and measures so that there can be a smooth introduction of weights in the rural areas?

Shri Satish Chandra: The steps taken in Maharashtra are not peculiar. The steps that have been taken throughout the country have been taken in Maharashtra also. Certain areas in Maharashtra where these weights have become compulsory are

being supplied with weights. The position is more satisfactory in that State. Out of 8 lakh pieces of weights as required there, about 4·5 lakh pieces have been supplied to the users, and the rest are being supplied at the rate of about 2 lakh weights per month.

Shri S. M. Banerjee: In certain places in U.P., from 1st October, 1960 these weights are to be used. Since the hon. Minister has said that the weights may not be made available in full for another three or four months, may I know whether the Central Government would recommend to the U.P. Government to extend this date to 31st March, or at least by two months more?

Shri Satish Chandra: In U.P., it is only the Municipal areas of Meerut, Agra, Lucknow, Bareilli, Moradabad, Banaras, Kanpur, Jhansi, Allahabad and Gorakhpur where they have become compulsory from this date, not in the rest of the State. In these places the weights are being supplied, and the position is satisfactory. The requirement in these places is about 3 lakh pieces of weights, out of which 1·7 lakh pieces have already been supplied, and the rest are being supplied.

Shri S. M. Banerjee: What about extending the date?

Shri Satish Chandra: No steps are being taken against defaulters till everybody has got the weights.

Pilot Projects for Landless Labour

\+

*176. **Shrimati Ila Palchoudhuri:**
Shri Rajendra Singh:
Shri Rameshwar Tantia:
Shri Ajit Singh Sarhadi:
Dr. Ram Subhag Singh:
Shri Damani:
Shri Ram Krishan Gupta:

Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that a scheme for introduction of a number of Pilot Projects in all States of India for providing employment to landless labour in villages during slack seasons has been finalised by the Government of India;

(b) if so, details of the scheme; and

(c) when and how it will be put into force?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) Yes, Sir.

(b) and (c). A copy of the letter addressed to the State Governments indicating the scope of the pilot projects and containing the suggestions of the Planning Commission regarding the preparation of detailed schemes and their execution is placed on the Table of the House. [*See* Appendix I, annexure No. 47.]

Shrimati Ila Palchoudhuri: It is a very big statement, but it says nothing about the rates of payment. What are the rates of payment that will be considered? Will they be anything like industrial labour, or will be in the same category as test relief work?

Shri L. N. Mishra: The local rates will be applicable.

Shri Palaniyandy: May I know whether under this scheme Government have a drive to give the *poramboke* land to the landless labour in all the States?

Shri L. N. Mishra: There is no question of giving land to landless labour. This is a labour-intensive scheme, and we want to provide employment to the semi-skilled and unskilled workers, and engage them in programmes of agricultural production, irrigation works etc.

Shri S. R. Arumugham: Will these projects be started on the basis of labour contract societies as was recommended by the Planning Commission?

Shri L. N. Mishra: Yes, that is in the scheme also.

Shri Shivananjappa: May I know whether Government propose to

guarantee minimum wages or subsistence allowance to these persons?

Shri L. N. Mishra: There is no question of guaranteeing. We do not want to disturb the local wage structure.

Shri B. K. Gaikwad: May I know the number of landless labourers who will get seasonal employment in agriculture?

Shri L. N. Mishra: It is difficult to give any precise information. It is in the pilot stage, and when we get the results we will be able to know.

Shri Thimmaiah: What are the factors that will be taken into consideration for locating this projects in a particular place? What is the maximum number of persons likely to be provided employment?

Shri L. N. Mishra: The statement contains the conditions for location. Regarding the number of people to be employed, it is difficult to say anything at this stage.

Dr. Ram Subhag Singh: May I know whether the programmes for providing work to such people will also include enabling them to carry on cattle-rearing, poultry farming and things like that because they are not included in this?

Shri L. N. Mishra: It has not an industrial bias, but people will be mostly engaged in such construction activities as excavating field channels, projects connected with agricultural production etc.

श्री विभूति मिश्र : माननीय मंत्री जी ने कहा है कि वह गुजारे लायक जमीनें नहीं देने जा रहे हैं । मैं जानना चाहता हूं कि क्या सरकार ने कोई ऐसी धारणा बनाई है कि इतने आदमियों को हम काम देंगे, इतनी मजदूरी देंगे ? इस सबका खुलासा तो करें आप ।

श्री ल० ना० मिश्र : काम देने का जहां तक सवाल है दूसरी योजना में लक्ष्य रखा गया था और तीसरी योजना में भी एक लक्ष्य रखा गया है कि इतने लोगों को रोजगार देना है । जहां तक रोजी देने का सवाल है उसके बारे में कहा गया है कि कम से कम इतनी रोजी मिलनी चाहिये । लेकिन अगर कोई बेकार है, उसके पास करने के लिये कोई काम नहीं है, खाने के बिना भूखा मरता है, उसके बारे में कहा गया है कि उसको खाना भी मिले और वह काम भी करे । इसमें न्यूनतम मजदूरी का सवाल नहीं रखा गया है ।

श्री विभूति मिश्र : क्या हमने कोई ऐसी योजना बनाई है कि इतने आदमियों को हम साल में काम देंगे और उनको इतनी मजदूरी देंगे ? इसको बताया जाये ताकि लोगों को पता चल सके कि सरकार क्या करने जा रही है ।

श्री ब्रजराज सिंह : कुछ कर नहीं रही है और न कुछ करने जा रही है ।

योजना उपमंत्री (श्री ल० ना० मिश्र): मैं एक बात साफ कर देना चाहता हूं । माननीय सदस्य जानते हैं कि तीसरे प्लान में हमने रोजगारी की जितनी सूरतें पैदा करने की कोशिश की है उनके मुताबिक करीब १४ मिलियन को हम काम दे सकेंगे । मगर तब भी एक मिलियन बाकी रह जाते हैं जब हम बैकलाग वगैरह का ख्याल करते हैं । हम चाहते हैं कि इन योजनाओं के जरिये जो कमी रह जाती है, उसको पूरा किया जाये । उसमें ज्यादा हिस्सा ऐसी योजनाओं का होगा ।

श्री त्यागी : अकसर ऐसी योजनाये स्लोगन बन कर रह जाती हैं । क्या गवर्नमेंट ने इस बात का ध्यान किया है कि किसी योजना को पब्लिक में लाने से पहले पूरे तरीके से उसको अमल में लाने की जिम्मेदारी गवर्नमेंट ले ले ? अगर ऐसा है तो मैं पूछना चाहता हूं कि क्या ये योजनायें अलग अलग गांवों में शुरू की जायेंगी या एक केन्द्रीय स्थान में शुरू की जायेंगी और कितना परसेंटेज लैंडलैस लेबरर्स का इनमें एम्प्लायमेंट हासिल कर सकेगा ? यह बहुत बड़ी योजना है

और मैं समझता हूं कि इस पर काफी गौर किया गया होगा ।

श्री इया० नं० मिश्र : इस पर बहुत वक्त लगाया गया है और अगर माननीय सदस्य उस खत को और खत के साथ चैक लिस्ट को देखेंगे जो टेबल पर रखा गया है तो उनको पता चलेगा कि हमने पूरा ख्याल इस बात का रखा है कि इसके अमल में कोई दिक्कत न आये । मगर बात यह है कि बहुत सी दिक्कतें आती हैं जब हम काम करते हैं और उनको जहां तक होगा आगे चल कर दूर करने की कोशिश की जायेगी । जगह चुनने के बारे में क्या कसौटियां होंगी, वे पैरा ५ में साफ तौर से रखी गई हैं । इसलिये कोई अस्पष्ट बात नहीं रह जाती है और आप देखेंगे कि हमने जिन बातों को रखने की कोशिश की है, उन पर अमल हो सकेगा ।

श्री त्यागी : मैं जानना चाहता हूं कि कितना रुपया खर्च करने की बात सोची गई है और यह रुपया स्टेट गवर्नमेंट देगी या सैंट्रल गवर्नमेंट पर इसको देने की जिम्मेदारी होगी ?

श्री इया० नं० मिश्र : रुपये यहां से ही देने की बात है और हमने सोचा है कि एक पायलट प्रोजैक्ट पर दो लाख के करीब रुपये खर्च होने चाहियें और यह बात खत में भी बताई गई....

श्री त्यागी : दो लाख से क्या यह लैंडलैस लेबरर्स का जो प्राब्लैम है, दूर हो जायेगा ? यह कैसे हो सकता है ? लोगों का मजाक उड़ाने से कोई फायदा नहीं है । इस मामले को सीरियसली लिया जाये । दो लाख रुपये में इंडिया के लैंडलैस लेबरर्स का प्राब्लैम दूर नहीं होगा । मैं....

Mr. Speaker: When the hon. Minister is going on and has not finished his reply, what is the meaning of interrupting him by another question?

श्रम और रोजगार तथा योजना मंत्री (श्री नन्दा) : मैं इसको जरा स्पष्ट कर देना चाहता हूं । ये प्रोजैक्ट्स पायलेट प्रोजैक्ट्स हैं । तीसरे पांच साला प्लान में यह स्कीम की जायेगी । उससे पहले, उसको शुरु करने से पहले हमें कुछ एक्सपीरियेंस हासिल करना है, अनुभव हासिल करना है । इसलिये हमने सोचा है कि हर एक स्टेट में कम से कम एक पायलट स्कीम एक ब्लाक में हो । ऐसा उनको लिखा गया है, और हिदायतें की गई हैं कि किस तरह से इसको करना है । इसके ऊपर वाच रखी जायेगी और जो अनुभव प्राप्त होगा उसके आधार पर स्कीम बनेगी । इसलिये जो आप कहते हैं उस बात को ध्यान में रक्खा गया है और एक एक स्टेट में एक एक ब्लाक की एक पाइलट स्कीम को २ लाख रु० दिया गया है ।

Shrimati Ila Palchoudhuri: May I know whether any of the States have as yet submitted any scheme, and if so, whether the Planning Commission will take into consideration the question of recognising voluntary organisations, if they offer employment, in States where the unemployment problem is very acute as, for instance, West Bengal?

Shri Nanda: Both these things have been kept in view. The States which suffer from larger incidence of unemployment have been told that they can go ahead with more than one pilot scheme.

Shri M. C. Jain: May I know whether any States have so far submitted any proposals?

Shri S. N. Mishra: We had asked the States to submit their proposals by the 15th November, but presumably because of their preoccupations with the formulation of the State Plans, they have not been able to submit any proposals. Only two States, namely Mysore and Kerala have indicated that by now they would be willing to take up more than one project, that is, two pilot projects.

People's Friendship University, Moscow

*177. **Shri Indrajit Gupta:**
Shri S. M. Banerjee:
Shri Hem Barua:
Shri S. C. Samanta:
Shri Subodh Hansda:
Shri Vidya Charan Shukla:
Shri Radha Raman:
Shri Shree Narayan Das:
Shri B. C. Mullick:
Shri B. K. Gaikwad:
Shri Osman Ali Khan:
Shri Tangamani:

Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 516 on the 18th August, 1960 and state the latest position with regard to admission of Indian citizens to the "People's Friendship University" of the U.S.S.R.?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): The Deputy Rector of the Friendship University, Moscow, came to New Delhi recently for discussions with the representatives of the Government of India regarding the admission of Indians to the Friendship University. As a result of these discussions, it has been decided that Indian students will be given facilities for studying at this University in accordance with the rules and regulations which govern the award of foreign scholarships. The details of the scheme have already been published in an advertisement in the press, and applications from Indian students have been invited. The last date for the receipt of applications is December 1, 1960.

Shri Indrajit Gupta: May I know whether in the selection committee which is going to make the selections, any representative of the People's Friendship University is going to be included or not? May I also know whether it is a fact that there are already more than 30,000 applications pending from various parts of the country?

Shrimati Lakshmi Menon: A representative of the People's Friendship University will be on the selection committee....

Shri Braj Raj Singh: But it is a foreign university.

Shrimati Lakshmi Menon: That is the usual procedure....

Mr. Speaker: Let the hon. Member hear the complete answer.

Shrimati Lakshmi Menon: We do not know how many applications have been received. Fresh applications have been called for, and as stated in the original answer, the last date for applications is 1st December, 1960.

Shri Vajpayee: May I know whether any official of the Education Ministry has examined the curriculum of the university, and if so, whether it is a fact that in the faculty of history and philology, the students will be taught only the Marxist interpretation of history and none else?

Shrimati Lakshmi Menon: The curriculum has been examined; and certain conditions were laid down about the eligibility of Indian students; and one of the things is that the syllabus for students would not include any political or ideological study.

Shri Braj Raj Singh: I want to get elucidation on one point. The Deputy Minister has stated that a representative of the People's Friendship University shall be sitting on the selection committee. May I know whether in respect of any other foreign university, while selecting students for that university, a representative of that university sits on the selection committee, or whether this is a new innovation only in respect of this university?

Shrimati Lakshmi Menon: It is not a new innovation. That is the usual procedure followed when a foreign country offers scholarships; a representative of that country or the university sits on the selection committee, by invitation.

Shri B. K. Gaikwad: May I know the number of candidates already

selected by the People's Friendship University, Moscow, and who asked for passports, and also whether it is a fact that one lady student from the Punjab has already been selected and has already joined the classes?

Shrimati Lakshmi Menon: From the newspaper reports, we know that two Indian students have been admitted to the university, and we are trying to know who they are.

An Hon. Member: Trying to know who they are?

Shrimati Lakshmi Menon: They have not been admitted through us. For the rest, no passport facilities have been given to the students seeking admission to the People's Friendship University, because the whole procedure is still not yet complete; applications have been invited, and as I have pointed out already, only after December, we shall be in a position to know who the applicants are, and then the committee will sit and examine.

Dr. Ram Subhag Singh: May I know whether it is a fact that Indian students had sent their applications direct to the People's Friendship University at Moscow? May I also know whether it is also true that they were given to understand that they would get free passage and free boarding and lodging facilities, and it was only because of that they sent their applications?

Shrimati Lakshmi Menon: All the applications sent either to the Friendship University or to the local Embassy have been sent over to us. Now, fresh applications also have been called for; all these things will be screened, scrutinised, and then the selection will be made.

Dr. Ram Subhag Singh: The latter part of my question has not been replied to. Under what conditions did the Indian applicants get inducement to send their applications straight to the Friendship University? May I know whether those conditions still exist, namely free passage, and free boarding lodging facilities etc?

Shrimati Lakshmi Menon: It is published in the papers, in *The Soviet News* and other papers.

Shri Nath Pai: Will the hon. Minister kindly tell the House whether the Indian students will become eligible only when they are scrutinised and found satisfactory by the selection committee, or whether they will be eligible for admission, as has happened in the case of the two students who have already been admitted without the knowledge and consent of the selection committee?

Shrimati Lakshmi Menon: As has been pointed out already, they will become eligible only when they are approved by the selection committee.

Shrimati Sucheta Kripalani: May I know whether Government have any knowledge as to the number of applicants who directly applied to the Friendship University, without the knowledge of Government?

Shrimati Lakshmi Menon: We have not got the figures yet.

Shri R. Narayanasamy: May I know how many seats have been allotted to India for admission into the Peoples Friendship University?

Shrimati Lakshmi Menon: Approximately 30.

Shri Tyagi: May I know the special subjects in which training will be given in this university, and for which our students will be sponsored from India?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): It has been decided that selection of Indian students for the Friendship University will be confined to applications for the study of engineering and other technical subjects, physics and other higher sciences.

Shri Tangamani: May I know whether it is a fact that the university

has started its work from 1st October, and already four hundred out of the five hundred students have started work, and if so, if what has appeared in the newspapers is true, why there has been such a long delay in sending these 30 students from India?

Shrimati Lakshmi Menon: The reason for the delay is well known, because certain procedures which Government adopt in accepting such scholarships have not been accepted by the Soviet Union, the Friendship University advertised on their own, and called for applications without consulting Government. We do not allow foreign Governments to make selections on their own, and hence the delay.

Shri D. C. Sharma: May I know what special facilities for education, in the form of scholarships and other things, will be provided by this university, which are not available at other universities outside India?

Shri Jawaharlal Nehru: That, of course, cannot be answered in any detail, but it is well-known that technical and scientific education in the Soviet Union is probably of the first order compared to any place in the world.

Shrimati Renu Chakravartty: May I know whether the Government set up a Committee or Board for scrutinising all the scholarships which are afforded by other Governments and institutions and trusts, as for example, the Rhodes Scholarships which are awarded by the University of Oxford?

Shrimati Lakshmi Menon: The Rhodes Scholarship is quite a different thing, because under that it is open to anybody to apply for study of any subject in any University he wants. Here it is limited to a particular University which, they say, is a voluntary University run by so many different organisations. Therefore, we cannot compare the Rhodes Scholarships with the the Scholarships offered by the Friendship University.

Shri Radha Raman: The hon. Deputy Minister has just now disclosed that the University in Moscow directly advertised in Indian newspapers and invited applications. On this fact coming to their notice, did the Government of India write to them and did they give any reply as to why they did so?

Shrimati Lakshmi Menon: Yes. It was done. That is why the Rector of the University came here and met the Prime Minister, the Minister of Scientific Research and Cultural Affairs and the Foreign Secretary. After consultations, they arrived at certain terms and conditions. Fresh application are invited on the basis of these discussions.

WRITTEN ANSWERS TO QUESTIONS

Wage Board for Jute Industry

*178. **Shri S. M. Banerjee:**
Shri Ram Krishan Gupta:
Pandit D. N. Tiwari:
Shri Tangamani:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the Wage Board for Jute Industry has started its work; and

(b) if not, the reason therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) Does not arise.

State Trading Corporation

*179. **Shri P. C. Deb:**
Shri Agadhi:
Shri Vidya Charan Shukla:
Shri Achar:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the State Trading Corporation has decided to set up subsidiary bodies; and

(b) if so, the details of the same and the reasons for such a step?

The Minister of Commerce (Shri Kanungo): (a) The State Trading Corporation have neither decided to set up any subsidiary bodies nor they have any such proposals under consideration at present.

(b) Does not arise.

Chrome Ore

*180. **Shri Chintamoni Panigrahi**: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether an import licence for 600 tons of refractory chrome ore was given to Orissa Cement Limited for import of this particular chrome from the Philippines;

(b) if so, whether it is a fact that India does not produce this particular chrome ore:

(c) whether the National Metallurgical Laboratory or Geological Survey of India or Indian Bureau of Mines was consulted while issuing this licence; and

(d) what is the amount of foreign exchange involved in this particular case?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir. For 800 tons of special quality low-iron chrome ore during April-September 1959 period from General area.

(b) Yes, Sir. The Indian reserves of chrome ore have high iron oxide content and are not considered suitable for manufacturing steel plant refractories.

(c) Yes, Sir. The Indian Bureau of Mines and Bhilai Steel Plants were consulted.

(d) Rs. 1·60 lakhs.

Cable Factory at Thripunithura

*181. **Shri Warior:**
Shri Vasudevan Nair:
Shri Narayanankutty Menon:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 527 on the 18th August, 1960 and state:

(a) whether the Traco Enterprises Private Limited had been given an extension of time to establish a cable factory in Thripunithura;

(b) whether licence for obtaining capital equipment from Japan has been issued to the above company; and

(c) at what stage is the undertaking at present?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir. The firm have been given extension of time upto 31st December, 1960.

(b) No, Sir.

(c) The technical collaboration agreement between Messrs. Traco Enterprises Private Limited and Messrs Furukawa Electric Company Limited, Japan has been approved by the Government. Their application for the import of capital equipment is under consideration of the Government.

Slum Clearance in Madhya Pradesh

*182. **Shri Vidya Charan Shukla**: Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 923 on the 18th August, 1960 and state:

(a) whether the consideration of the question of Central assistance to Madhya Pradesh Government for the slum clearance project has been completed; and

(b) if so, the particulars thereof?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). The Government of Madhya Pradesh have informed this Ministry that the Ratlam

and Bhopal Slum Clearance projects are being modified. The question of granting Central assistance for these projects will be considered on the receipt of further proposals from the State Government.

Fertilizer Factory in Rajasthan

*183. **Dr. Ram Subhag Singh:**
Shri Rameshwar Tantia:
Shri Wodeyar:
Shri Daljit Singh:
Shri N. M. Deb:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have invited proposals for setting up a fertilizer factory at Hanumangarh in Rajasthan; and

(b) by what time Government expect that the fertilizer factory will be set up there?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Yes, Sir.

(b) It is difficult to be precise at this stage.

संयुक्त राष्ट्र सचिवालय में भारतीय

*१८४. **श्री पद्म देव :**
श्री कोडियान :

क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) संयुक्त राष्ट्र सचिवालय और इसके प्रमुख अभिकरणों में कितने भारतीय राष्ट्रजन काम कर रहे हैं ; और

(ख) उनकी नियुक्तियां किस प्रकार की जाती हैं ?

विदेश उपमंत्री (श्रीमती लक्ष्मी मेनन) : (क) ३१ अगस्त, १९६० को संयुक्त राष्ट्र सचिवालय में व्यावसायिक स्तर (प्रोफेशनल लेवल) की और इससे ऊंची जगहों पर ६१ भारतीय राष्ट्रिक काम कर रहे थे । संयुक्त राष्ट्र की विभिन्न विशिष्ट ऐजेंसियों (स्पेशलाइज्ड एजेंसीज) में जिन जिन जगहों पर भारतीय राष्ट्रिक काम कर रहे हैं, उनके बारे में में विभिन्न मंत्रालयों से सूचना इकट्ठी की जा रही है और जहां तक होगा, वह सूचना जल्दी ही दे दी जाएगी ।

(ख) आम तौर से, संयुक्त राष्ट्र का कर्मचारी कार्यालय (ब्यूरो आफ परसानेल) विभिन्न लोगों से प्राप्त दरखास्तों का लेखा-जोखा रखता है और जगहें खाली होने पर उचित लोगों को भर्ती करने की कोशिश करता है । जहां तक व्यावहारिक होता है, लोगों को प्रतियोगिता के आधार पर चुना जाता है ; और ऐसा करते समय इस बात का समुचित ध्यान रखा जाता है कि जहां तक संभव हो, कर्मचारी व्यापक भौगोलिक आधार पर भर्ती किए जायं ।

मूल्य सूचियां लगाना

*१८५. **श्री सरजू पांडे** : क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उन्होंने राज्य सरकारों को एक परिपत्र के द्वारा यह सुझाव दिया है कि सब दुकानों पर वस्तुओं की मूल्य सूचियां लटकाई जानी चाहिएं ; और

(ख) यदि हां, इजस बारे में राज्य सरकारों की क्या प्रतिक्रियाएं हुई हैं ?

वैदेशिक कार्य मंत्री के सभा-सचिव (श्री सादत अली खां) : (क) जी हां ।

(ख) यह इत्तला हासिल नहीं है क्योंकि प्रधान मंत्री ने राज्य सरकारों से यह इत्तला नहीं मांगी थी ।

दिल्ली में यह प्रबन्ध कर दिया गया है कि दुकानदार कुछ जरूरी वस्तुओं, जैसे अनाज, चीनी, नमक आदि की मूल्य सूचियां लगाएं । जहां तक मिल के बने कपड़ों का सम्बन्ध है, यह विचार है कि कपड़ों के मूल्य उन पर छाप दिए जाएं ।

जहां तक अन्य कई वस्तुओं का ताल्लुक है, उनकी कई किस्में होने तथा भुगों में भिन्नता के कारण उन पर निश्चित मूल्य प्रदर्शन करना मुश्किल है । जब तक वस्तुओं की किस्मों पर नियंत्रण, उनका श्रेणीकरण (ग्रेडिंग) तथा प्रमापीकरण (स्टेन्डर्डाइजेशन) न हो जाए, उन सब पर मूल्य सूचियां लगाना अभी संभव नहीं ।

Handloom Fabrics

*186. **Shri Hem Raj:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that while rebate is allowed on the sale of cotton handloom fabrics, no rebate is allowed on the sale of woollen and silken handloom fabrics; and

(b) if so, the reasons therefor?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir.

(b) Silk and Woollen handloom fabrics do not face competition from the corresponding large scale organised sector to the same extent as cotton handloom fabrics. Government is, therefore, of the opinion that there is no need to give protection to these products by way of rebates.

White Cement

*187. **Shri Kodiyan:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the total demand for white cement in the country;

(b) the total quantity of white cement now produced in India; and

(c) the steps taken by Government to promote the production of white cement?

The Minister of Industry (Shri Manubhai Shah): (a) Approximately 10,000 tons per annum.

(b) A quantity of 11,516 tons of white cement was produced in 1959 and a quantity of 6,200 tons has been produced during the first ten months of the current year.

(c) An additional capacity of 102,500 tons is being established to meet the future demand.

Tractor Factory

*188. **Shri Rami Reddy:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there is a proposal to set up factory for the manufacture of Tractors and earthmoving machinery in the South;

(b) what is the capacity and estimated cost of the project; and

(c) where it is expected to be located?

The Minister of Industry (Shri Manubhai Shah): (a) to (c): A Statement is laid on the Table of the House.

STATEMENT

(a) Yes, Sir.

(b) The capacity of the undertaking will be as under :—

Item	Output per annum	
	Nos.	Tons
Steel structurals	..	1800
BLH Shovels	30	900
Allis-Chalmers motorised scrapers . .	80	..
Allis-Chalmers motorised dumpers . .	100	..
Allis-Chalmers crawler tractors & bulldozers	To be determined later.	

It is proposed that the authorised capital of the undertaking would be Rs. 2 crores, with an issued capital of nearly Rs. 1.6 crores.

(c) At Ennore, Madras State.

Production of Textiles

*189. **Shri Achar:**
Shri Osman Ali Khan:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government are considering the question of demarcating the spheres of production of textiles between mills and handlooms;

(b) if so, whether they have come to any decision; and

(c) the main conclusions of Government regarding he demarcation?

The Minister of Commerce (Shri Kanungo): (a) There already exists demarcation in the spheres of production of cotton textiles between mills and handlooms. No fresh proposal is under the consideration of Government.

(b) and (c). Do not arise.

अल्कोहल का कारखाना

*१९०. **श्री अमर सिंह डामर :** क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार और मध्य प्रदेश सरकार मिल कर रतलाम में एक अलकोहल का कारखाना लगा रही हैं ;

(ख) यदि हां, तो कुल कितनी राशि मंजूर की गई है ; और

(ग) केन्द्रीय सरकार और राज्य सरकार इस में क्रमशः कितनी पूंजी लगायेंगी ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) रतलाम में अल्कोहल का कारखाना मध्य प्रदेश सरकार लगाने जा रही है ।

(ख) दूसरी पंच वर्षीय योजना में इस प्रायोजना पर राज्य सरकार द्वारा लगभग २२.२४ लाख रु० खर्च करने का अनुमान था ।

(ग) प्रश्न ही नहीं उठता :

South Africa

*191. **Shri Hem Barua:** Will the **Prime Minister** be pleased to state:

(a) whether the attention of Government has been drawn to the fact that the South African Indian Congress has communicated to the U.N. Secretary-General about the "shameless and discriminatory act" of the South African Government in proposing to evict 100,000 African and 40,000 Indians from the Cato Manor area of Durban; and

(b) if so, whether Government propose to press this matter with the U.N.O. for friendly settlement with the South African Government?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Yes, Sir; Government have seen press reports to this effect.

(b) The question of the treatment of people of Indian origin in the Union of South Africa as well as that of Race Conflict are already on the agenda of the U.N. General Assembly. The Indian Delegation will put forward the views of Government on these two questions in due course.

Wages

*192. **Shri Ram Krishan Gupta:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether Government have studied the principle of no work, no wages; and

(b) if so, the result thereof?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). It is a general principle that no wages are payable where no work has been done.

But in exceptional cases, tribunals can, and do, award wages for periods of strikes and lockouts.

Common Market for Asia and Africa

*193. **Shri Rajendra Singh:**
Shri Indrajit Gupta:
Shri Rameshwar Tantia:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have noted the suggestion of Dr. Matine Daftary, former Prime Minister of Iran, to find out the possibility of forming a Common Market for Asia and Africa on the lines of European Common Market; and

(b) if so, with what effect?

The Minister of Commerce (Shri Kanungo): (a) and (b). We have seen a Press note containing the suggestion of Dr. Matine Daftary for the creation of a Common Market for Asia and Africa. The suggestion, which was of a general nature, was made by Dr. Matine Daftary in course of a speech at the Iranian Cultural House, New Delhi. As the Government of India have not received any formal proposals or suggestions on the subject from the Government of Iran, the suggestion has not been formally considered.

Cost of Industrial Production

*194. **Shri D. C. Sharma:**
Shri A. M. Tariq:
Shri Ram Krishan Gupta:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 129 on the 4th August, 1960 and state the progress made in the proposal to set up Study Groups to examine the high cost of industrial production?

The Minister of Industry (Shri Manubhai Shah): The matter is still under consideration of the Government.

Small-scale Industries

*195. **Shrimati Ila Palchoudhuri:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that a proposal to establish an expert Committee to examine as to what items could or should be produced in ancillary units and to earmark them for development in the small-scale industries sector, is under the consideration of the Government of India;

(b) if so, the details of the proposal; and

(c) the progress made so far in connection therewith?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

The Small Scale Industries Board had set up a Standing Committee of experts to examine ways and means for the promotion of small-scale industries as ancillaries to large industries. The Committee is examining the matter.

Hindustan Machine Tools Factory

*196. **Shri B. C. Mullick:**
Shri Kodiyan:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that Government has suspended the working of the Workers' Participation Scheme recently started in the Hindustan Machine Tools Factory at Bangalore;

(b) if so, what are the reasons of suspension of this scheme;

(c) whether it is a fact that the State Government has been objecting to the 'ballot' system for ascertaining the relative strength of the rival unions; and

(d) if so, what steps have been taken by Government to ascertain the

representative union in the Factory and revive the Scheme once again?

The Deputy Minister of Labour and Planning (Shri L. N. Mishra): (a) Yes.

(b) The representative character of the union associated with the Joint Management Council has been challenged.

(c) and (d). Enquiry is in progress to ascertain the union's following in accordance with the accepted procedure.

Monazite Production in Kerala

*197. **Shri Kodiyan:**
Shri Warior:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that "Hopkins & Williams" producing monazite at Chavara in Kerala has closed down with effect from 1st October, 1960;

(b) if so, the reasons for the closure;

(c) how far this closure will affect the production of monazite; and

(d) what action has been taken by Government to reopen the Company and start production?

The Parliamentary Secretary to the Prime Minister and Minister for External Affairs (Shri Sadath Ali Khan): (a) M|s Hopkin & Williams closed down their Chavara factory from 1-10-1960. This factory was producing ilmenite and rutile and not monazite.

(b) The Company found it uneconomical to continue production.

(c) The closure of the factory will not affect the production of monazite as it was not producing monazite.

(d) The Government of Kerala have attached the assets of the factory under Revenue Recovery Act for recovery of arrears of Royalty due from the Company and they are considering the question of the future working of the factory in consultation with the Government of India.

फ्रीक्वेन्सियों का प्रयोग

*१९८. **डा० राम सुभग सिंह :** क्या **सूचना और प्रसारण** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि अन्तर्राष्ट्रीय दूर संचार संघ ने हाल में भारत सरकार को अगले वर्ष के मध्य तक सभी फ्रीक्वेन्सियों को काम में लाने का सुझाव दिया है ;

(ख) यदि हां, तो इन फ्रीक्वेन्सियों को काम में लाने के लिये क्या प्रयत्न किये जा रहे हैं ; और

(ग) क्या ये प्रयत्न अगले वर्ष तक पूरे हो जायंगे ?

सूचना और प्रसारण मंत्री (डा० केसकर) : (क) से (ग) इस सवाल का जवाब परिवहन तथा संचार मंत्री किसी दूसरे दिन देंगे ।

Indian Rupee in Nepal

*199. **Shri P. G. Deb:**
Shri Arjun Singh Bhadauria:
Shri Raghunath Singh:

Will the **Prime Minister** be pleased to state:

(a) whether Indian Rupee has been declared as not legal tender in Nepal; and

(b) if so, the action taken in the matter?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) So far as we know, Indian currency has ceased to be legal tender only in the Kathmandu Valley.

(b) No action is called for by the Government.

Aid from Red Cross Society of China for Flood Relief

*200. **Shri Hem Barua:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that the Red Cross Society of China has offered certain financial help to the Indian Red Cross Society for the relief of victims of floods of Orissa, Punjab and other areas of India; and

(b) if so, what is the amount?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Yes, Sir.

(b) Rs. 57,471.

Inspectorate of Explosives

*201. **Shri Tangamani:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether there is a proposal to enlarge the Inspectorate of Explosives and upgrade the posts in the various centres;

(b) if so, the nature of such proposal; and

(c) what changes are contemplated for the current year?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) to (c). A proposal to increase the inspecting staff of the Department of Explosives was examined in May last and one post of Inspector of Explosives at Asansol and four posts of Assistant Inspector of Explosives, one each at Circle offices at Calcutta, Bombay, Agra and Gwalior, have been created. No other proposal to enlarge the Inspectorates of Explosives and to upgrade the posts in various centres is under consideration at present.

Atomic Power Stations

*202. **Shri D. C. Sharma:**
Shri Ram Krishan Gupta:
Shri Bhakt Darshan:
Shri Ajit Singh Sarhadi:
Shri Damani:
Shri Osman Ali Khan:

Will the **Prime Minister** be pleased to state:

(a) the total number of Atomic Power Stations proposed to be established;

(b) the names of the places where those stations are to be located; and

(c) the basis on which such selection has been made?

The Parliamentary Secretary to the Prime Minister and Minister for External Affairs (Shri Sadath Ali Khan): (a) to (c). The setting up of the first Atomic Power Station on the West Coast between Ahmedabad and Bombay in the State of Maharashtra has already been decided. The setting up of more power stations in other regions remote from coal fields, such as Delhi-Punjab, Madras and Rajasthan is still under consideration and no decision in the matter has so far been taken.

Goa

*203. **Shrimati Ila Palchoudhuri:**
Shri D. C. Sharma:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that a proposal to promote closer association between the people of Goa and India is under the consideration of the Government of India;

(b) if so, details thereof; and

(c) when a final decision is likely to be arrived at?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) to (c). Goans are Indians and their natural links are with India. No

special measure are, therefore, necessary to promote closer association. What Government have recently done is to facilitate the movement of persons into and from Goa by opening additional routes of travel to Goa. Government also propose to permit the export of certain items such as handloom textiles, and handicrafts products, into Goa

Central Labour Research Organisation

*204. **Shri Rajendra Singh:**
Shri Rameshwar Tantia:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that Government is considering certain proposals to set up a research organisation aimed at improving the conditions of labour; and

(b) if so, what are the essentials of such proposals?

The Deputy Minister of Labour and Employment and Planning (Shri L. N. Mishra): (a) and (b). The question of setting up of a labour research organisation was discussed recently at a Conference where all interests concerned were represented. No conclusion was arrived at.

Accidents in Factories

*205. **Shri Kodiyan:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether Government have any proposal to prepare a Bill with the specific purpose of reducing the number of accidents in factories; and

(b) if so, when is the Bill expected to be introduced in Parliament?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). Proposals for amendment of the Factories Act, 1948 with a view to providing for enquiry into serious accidents, appointment of safety officers in factories employing more than a specified number of workers, etc., are under the consideration of the Government.

Tyre and Rubber Manufacturing Plant

*206. **Shri B. C. Mullick:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government have granted permission for the erection of tyre and rubber manufacturing plant at Ballabhgarh near Delhi;

(b) if so, what are the arrangements for the technical 'know-how' and other machinery requirements;

(c) whether it is a fact that raw material is not available nearabout; and

(d) if so, what arrangements have been made to get the raw material?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) Yes, Sir.

(b) The foreign collaborators will furnish the necessary technical know-how for which they will be paid a fee of 3 per cent on the net sales value of their production, which will be subject to Indian taxation.

The imported capital equipment will cost Rs. 212 lakhs out of which Rs. 160 lakhs will be met by foreign capital participation and Rs. 52 lakhs have been arranged under the Eximp Bank credit programme.

(c) and (d). 50 per cent of the raw materials will have to be imported for the present, and 50 per cent (mainly raw rubber) will be available indigenously from the South Indian Plantations.

Supreme Court Jurisdiction over Former French Possessions in India

*207. **Shri Tangamani:**
Shri D. C. Sharma:
Shrimati Ila Palchoudhuri:
Shri Hem Barua:

Will the **Prime Minister** be pleased to refer to the reply given to Starred

Question No. 147 on the 4th August, 1960 and state the progress made so far in extending the jurisdiction of the Supreme Court to the former French possessions in India?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): We have decided on the practical steps that are necessary to substitute the appellate Courts in Paris by alternative Indian bodies and the Chief Commissioner of Pondicherry has been asked to discuss these with the Councillors of Government in Pondicherry.

Censorship of Films

*208. **Shri Hem Barua:** Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether any anomalies involved in the censorship of films in India have been brought to the notice of Government during the last three years; and

(b) if so, what are they?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Standards for censorship can only be broadly laid down. Every film and incidents in it have to be judged on merit taking the context of each case into consideration. It might, therefore, not be possible to have rigid similarity in the judgement that the Censor Board passes about different films. Moreover, the meaning of particular incidents, words or actions does change in the light of the circumstances or the surroundings.

However, efforts are continuously made to see by discussion with the Censor Board and bringing forward various decisions for comparative study to bring about some kind of a broad uniformity in the matter.

The general directions that have been issued to the Board were laid on the Table of the Lok Sabha on the 22nd March, 1960 in reply to Starred Question No. 1036.

Indians Kidnapped by Pakistanis

*209. **Dr. Ram Subhag Singh:**
Pandit D. N. Tiwari:
Shri Achar:
Shri Sugandhi:
Shri Agadi:
Shri Wodeyar:

Will the **Prime Minister** be pleased to state:

(a) wheher some Indians were kidnapped and their cattle lifted by some Pakistanis on the 31st October, 1960 from near the border village of Kurikhala, about 10 miles from Karimganj (Assam);

(b) if so, whether any of those persons and cattle have since been returned by the Pakistanis;

(c) what action has been taken by Government for the return of the rest; and

(d) what precautionary measures are being taken to prevent such incidents in future?

The Parliamentary Secretary to the Minister of External Affairs (Shri J. N. Hazarika): (a) to (d). 85 cattle while grazing crossed into Pakistan territory near Karikhal (7 miles south west of Karimganj in Assam) and were driven away by Pakistani nationals. 11 Indian cowherds who followed the cattle into Pakistan subsequently returned back into Indian territory.

The Deputy Commissioner, Cachar has requested his counterpart for the return of the cattle.

C.P.W.D. Dak Bungalows

245. **Shri Tangamani:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the number of C.P.W.D. Dak Bungalows; and

(b) the places where they are situated?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a). 45.

(b). A list showing the names of statement is laid on the Table. [*See* Appendix I, annexure No. 48].

Industrial Estate in Batala

246. Shri D. C. Sharma: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the detailed scheme for setting up an industrial estate in Batala in Gurdaspur district of Punjab has been prepared; and

(b) if so, the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table.

STATEMENT

(a) and (b). A scheme for the setting up of an Industrial Estate at Batala was prepared by the Government of Punjab and approved by the Government of India. The details of the scheme are as follows:—

The estimated cost of the scheme (excluding provision for staff) is Rs. 12,39,700:—

(*i*) Building works	Rs. 10,22,800
(*ii*) Electric Installations	Rs. 76,900
(*iii*) Public Health Amenities	Rs. 1,40,000
TOTAL	Rs. 12,39,700

It has been proposed to put up 50 work-sheds. 20 will be 'A' type worksheds on 4 Kanal plots each and 30 'B' type worksheds on 3-4 Kanal plots each. 4 'A' type sheds and 6 'B' type sheds will be reserved for foundries.

Construction work has just been started and foundation for 2 sheds have been filled.

Displaced Political Sufferers

247. Shri D. C. Sharma: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to refer to the reply given to Unstarred Question No. 2315 on the 20th April, 1960 and state:

(a) the upto-date progress made in implementing the scheme formulated to provide houses or land to the displaced political sufferers; and

(b) the number of persons who have been benefited so far by this scheme?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) Of the 40 cases pending on the 20th April, 1960, 22 have been approved for allotment of plots and 18 rejected. Out of 22 approved for allotment, 13 have been allotted plots for construction of houses and the remaining nine will be allotted as soon as more plots are available.

(b) 201.

Penicillin

248. Shri D. C. Sharma: Will the Minister of **Commerce and Industry** be pleased to state:

(a) wheher any assessment as to the present and future requirements of Penicillin has been made; and

(b) if so, the result of such assessment?

The Minister of Industry (Shri Manubhai Shah): (a). Yes.

(b) The current demand for penicillin is estimated at about 80 million mega units per annum. The requirement at the end of the Third Five Year Plan as estimated by the Development Council, is about 120 million mega units per annum.

Markets in Faridabad

249. Shri D. C. Sharma: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether markets have been constructed in Faridabad for the displaced persons;

(b) if so, the amount spent on these markets so fra;

(c) the number of shops in these markets; and

(d) the terms on which shops are allotted?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) Yes.

(b) Rs. 1,62,500 approximately (excluding the cost of land).

(c) 200 shops and 96 stalls.

(d) (i) Applicants should be registered displaced persons of the township;

(ii) They should have been doing business in Faridabad in a Khokha in October, 1954 when a list of such Khokhas was made by the Faridabad Development Board and should also be continuing the business themselves at the time of allotment.

(iii) None of their family members should have been allotted a shop|stall in the township.

Agricultural Implements

250. Shri D. C. Sharma: Will the Minister of **Commerce and Industry** be pleased to state the amount of grants released to Punjab Government for the development of agricultural implements industry during 1960?

The Minister of Industry (Shri Manubhai Shah): No specific grants have been released to the Punjab Government for schemes for the manufacture of agricultural implements.

Industrial Survey of Delhi

251. Shri D. C. Sharma:
Shri Bhakt Darshan:
Shri Ram Krishan Gupta:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 2270 on the 7th September, 1960 and state the upto-date progress made in the industrial survey of Delhi?

The Minister of Industry (Shri Manubhai Shah): The Delhi Administration addressed 2000 more industrial units subsequently, out of which 700 have furnished the information asked for. Efforts are being made to obtain response from those who have not yet sent in their replies.

Gur

252. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of sugarcane gur in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reasons for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). A statement containing the required information is laid on the Table of the House.

STATEMENT

(a) The production of sugarcane Gur in 1950-51 is estimated to be 32,54,000 tons.

(b) and (c). No specific targets were fixed for the production of Gur during the two Plan periods. However, the production of sugarcane Gur during 1955-56 and 1958-59 is estimated to be 29,04,000 tons and 36,82,000 tons, respectively. Similarly, no specific allocation was made for the development of the Gur industry in any of the two Plans. However, an amount of Rs. 8,27,800 was

allocated by the Indian Central Sugarcane Committee for Gur research scheme during the Second Five Year Plan. Out of this amount Rs. 1,54,814 only could be utilized upto 1959-60. Besides, the Khadi and Village Industries Commission has also disbursed Rs. 90,000 during the First-Plan and Rs. 148,24,000 during the Second Plan for the development of Gur and Khandsari Industry.

(d) Does not arise.

Housing

253. Shri Morarka: Will the Minister of **Works, Housing and Supply** be pleased to lay a statement on the Table showing:

(a) the number of additional houses built under:

(i) Subsidised Industrial Housing Scheme; and

(ii) Low Income Group Housing Scheme; since inception of these Schemes;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason, if any, for the shortfall in achieving the physical targets?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) According to the reports received from the State Governments etc., about 88,800 houses under the Subsidised Industrial Housing Scheme and about 47,200 houses under the Low Income Group Housing Scheme, were built upto the 31st March, 1960, since the inception of these Schemes in September 1952 and November, 1954, respectively.

(b) and (c). A statement giving the required information is laid on the Table. [*See* Appendix I, annexure No. 49.]

(d) The factors principally responsible for shortfall in achieving the physical targets under these two Schemes, during the First Plan period, were:

(i) Lack of adequate administrative and technical machinery in the States to meet the requirements of this type of development work;

(ii) Non-availability of adequate land at reasonable costs and the cumbersome procedure of land acquisition which inevitably resulted in delays;

(iii) Shortage of essential building materials for housing on account of high priorities for projects like dams, bridges, roads etc.; and

(iv) Rising cost of building materials and labour.

The final shortfalls under these two Schemes, during the Second Five Year Plan, if any, will be known only at the end of the Plan period.

Refractories

254. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of refractories in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason, if any, for the shortfall in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a)

(*a*) *Production* :	
1950 .	2,36,500 tons
1951 .	2,38,209 tons
1956 .	3,16,640 tons
1959 .	5,00,000 tons
Installed Capacity :	
(*i*) Existing in 1960	8,00,520 tons
(*ii*) Additional capacity covered by import licences for capital goods	4,80,840 tons
(*iii*) Additional capacity licensed bu t not yet covered by import licences	10,74,000 tons
(*b*) *to* (*d*). (*i*) *Plan target* . .	No targets were fixed.
(*ii*) *Achievement* . .	There was increase in production during First Plan by 36,300 tons
(*iii*) Financial allocation and amount actually spent during the First Plan period.	The production of refractories is confined to private sector.
II Plan target	1·25 million tons for capacity and 1·00 million tons for production.
Achievement so far in II Plan: .	The increase in production over the First Plan so far has been 2,27,200 tons.
Financial allocation and the amount actually spent in II plan	The producton of the refractories is confined to private sector.

Aluminium

255. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of aluminium in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) The production of aluminium in 1950-51 was about 3,738 metric tons.

(b) The target of production for the end of the First Five Year Plan was 12,192 metric tons of aluminium. During 1951-56 Rs. 2·25 crores is estimated to have been spent on development of aluminium.

(c) and (d). The target of production for the end of the Second Five Year Plan is 25,400 metric tons of aluminium. The actual production during 1960 is estimated to be 18,288 metric tons and will increase considerably in 1961-62. The amount spent so far in the Second Plan on development of aluminium is Rs. 13 crores as indicated by the parties.

Carding Engines

256. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of carding engines in 1950-51;

(b) the plan target for the First Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) Not available.

(b) No financial allocation for this industry was made in the First Five Year Plan; the target and the capacity achieved during the First Five Year Plan are given below:—

Target	600 Nos.
Capacity achieved	618 Nos.

(c) and (d). No separate target was fixed for Carding Engines in the Second Five Year Plan, and no financial allocation was made for this industry. The indigenous production of Carding engines is adequate to meet the actual demand of the Textile industry and the import of Carding engines is banned.

Spinning Ring Frames

257. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of spinning ring frames in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) 260 Nos.

(b) No financial allocation for this industry was made during the First Five Year Plan, a target of 800 frames was fixed during this period and it was achieved.

(c) and (d). No separate target was fixed for Spinning Ring frames in the Second Five Year Plan, and no financial allocation was made for this industry. The indigenous production of spinning ring frames is adequate to meet the actual demand of the Textile industry and the import of spinning ring frames is banned.

Production of Calico Looms

258. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of calico looms in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together with the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) 2059 numbers in the year 1960.

(b) No financial allocation for this industry was made in the First Five Year Plan; the target and the capacity achieved during the First Five Year Plan are given below:—

Target—8000 Nos.

Capacity achieved—2787 (in the year 1955).

(c) and (d). No separate target was fixed for Calico looms in the

Second Five Year Plan and no financial allocation was made for this industry. The indigenous production of Calico looms is adequate to meet the demand of the Textile industry and imports of these looms is banned.

Production of Jute Textile Machinery

259. Shri Morarka: Will the Minister of **Commerce and Industry** be pleased to lay a statement on the Table showing:

(a) the production of jute textile machinery (rupees in crores) in 1950-51;

(b) the plan target for the First Five Year Plan, the achievement during the same period together wih the financial allocation and the amount actually spent during the First Plan period;

(c) the target for the Second Five Year Plan period, the achievement made so far, together with the financial allocation under the Second Five Year Plan and the amount actually spent so far; and

(d) the reason for the shortfall, if any, in achieving the physical targets?

The Minister of Industry (Shri Manubhai Shah): (a) Production figure in respect of Jute textile machinery for the year 1950-51 are not available.

(b) This industry did not figure in the First Five Year Plan.

(c) A target of Rupees 2.5 crore was fixed for this Industry in the Second Five Year Plan which has since been achieved. No separate financial allocation was made for this industry.

(d) Does not arise.

School in Defence Colony

260. Shri Kunhan: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to refer to the reply given to Unstarred Question 1282(Ai) LSD—3. No. 2348-E on the 7th September, 1960 and state:

(a) whether the Directorate of Education and the Delhi Municipal Corporation were informed that this particular building was available for starting a school in this area;

(b) if not, the reasons therefor; and

(c) the terms on which the building has been given on lease to Lady Irwin Higher Secondary School?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) No.

(b) As already stated in reply to Unstarred Question No. 2348-E answered on 7th September, 1960 the original proposal was to allot the school building to the Defence Services House-building Co-operative Society. After the Society had baced out, the management of the Lady Irwin School was the first to approach the Ministry of Rehabilitation with a proposal to open a Girls' School. Considering the reputation enjoyed by this Institution and the need for such an Institution in the Colony its proposal was accepted.

(c) The building has been leased out on a nominal rent of Re. 1 per year for a period of 30 years on the condition that the lessees will be responsible for its proper maintenance. In addition an annual lease money of Rs. 905 will be payable in respect of the site.

Small Scale Handloom Industries in Madhya Pradesh

261. Shri Kunhan: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the number of small scale handloom industries already existing and newly started in Madhya Pradesh on co-operative basis during 1958-59 and 1959-60; and

(b) the total amount sanctioned for the development of small scale handloom industries in Madhya Pradesh for the year 1960-61?

The Minister of Commerce (Shri Kanungo): (a) Co-operative societies in the handloom sector as on 31-3-1958—321.

Co-operative Societies organised and registered during 1958-59—16.

Co-operative societies organised and and registered during 1959-60—22.

(b) A sum of Rs. 15 lakhs has been sanctioned for the year 1960-61 for the development of the Handloom Industry in Madhya Pradesh. An amount of Rs. 3:98 lacs has also been sanctioned for conversion of handlooms into powerlooms.

चाय उद्योग के लिये मशीनें

२६२. **श्री हेम राज :** क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार के पास चाय के छोटे उत्पादकों को किस्तों पर छोटी मशीनें खरीदने की सुविधा देने की कोई योजना है ; और

(ख) यदि उपरोक्त भाग (क) का उत्तर स्वीकारात्मक हो तो उसकी रूप-रेखा क्या है ?

वाणिज्य मंत्री (श्री कानूनगो) : (क) सरकार की ऐसी कोई योजना नहीं है, क्योंकि चाय के छोटे बगीचों की उपयुक्त मशीनें इस समय नहीं बनती हैं ।

(ख) प्रश्न ही नहीं उठता ।

Industrial Estates in Bihar

263. Shri S. C. Godsora: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the progress made so far in the Industrial Estates in Bihar; and

(b) the annual estimated production in each of these Industrial Estates?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table [*See* Appendix I, annexure No. 50.]

Employees in C.P.W.D.

264. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the number of employees in the Central Public Works Department in the isolated posts according to each category in different Zones as on 1st April, 1960;

(b) the number of permanent posts in each category in different Zones; and

(c) the number of employees confirmed against such posts?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) to (c). A statement is laid on the Table. [*See* Appendix I, annexure No. 51.]

Reorganisation of Circles of C.P.W.D.

265. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 2842 on the 28th April, 1960 in Lok Sabha and state:

(a) whether it is a fact that the jurisdiction of the circles change from time to time in the Central Public Works Department;

(b) whether it is a fact that on reorganisation of Circles, the seniority of class IV staff for purposes of promotion is disturbed; and

(c) if so, whether there is any proposal not to disturb the seniority of the staff on reorganisation of Circles?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) No.

(c) Does not arise.

Isolated Posts in C.P.W.D.

266. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 2842 on 28th April, 1960 in Lok Sabha and state:

(a) whether it is a fact that there are isolated posts among the Class IV staff;

(b) if so, the categories of posts which have been classified as isolated posts;

(c) the number of employees in such posts as on 1st April, 1960 according to each zone; and

(d) the number of permanent posts in such posts in each zone and the number of persons confirmed against them?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) to (d). A statement is laid on the Table. [*See* Appendix I, annexure No. 52.]

Regular Establishment of C.P.W.D.

267. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 2842 on 28th April, 1960 in Lok Sabha and state:

(a) the categories of Class IV posts on regular establishment other than isolated posts;

(b) the number of employees working on such posts on 1st April, 1960 according to each zone;

(c) he number of permanent posts in each category in each zone; and

(d) the number of persons confirmed against these posts?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) to (d). A statement is laid on the Table. [*See* Appendix I, annexure No. 53.]

"Workman" Posts in C.P.W.D.

268. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to state the categories of Class III and class IV posts in the Central Public Works Department which have been classified as 'workman' for purposes of Fundamental Rule 56(a) and the Central (Class IV) Services (Gratuity Pension and Retirement) Rule 9?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): No categories of Class III and Class IV posts on the regular establishment of the C P.W.D. have been classified as 'Workmen' for the purpose of retirement at the age of 60. However, the following Class III and Class IV posts in the Power House attached to the Government of India Forms Press at Aligarh and originally borne on the regular establishment of that Press, were transferred to the administrative control of the Central Public Works Department:—

Class III

1. Electrician.
2. Engine Driver.
3. Switch Board Attendant.
4. Fitter
5. Mechanic.

Class IV.

6. Cleaner.

The Press being an industrial establishment, its staff are treated as 'Workmen'. The incumbents of the above posts transferred from the Government of India Forms Press, Aligarh to the C.P.W.D. were allowed to continue to be treated as 'Workmen'.

Small Scale Industries in Kerala

269. Shri Kunhan: Will the Minister of **Commerce and Industry** be pleased state:

(a) the amount of allocations for the development of Small Scale Industries in Kerala during the Second Five Year Plan period so far; and

(b) the progress made so far in this respect?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table. [*See* Appendix I, annexure No. 54.]

अखबारी कागज का चोरबाजार

२७०. **श्री रघुनाथ सिंह :** क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) गत छः मास में सरकार को अखबारी कागज की चोरबाजारी के कितने मामलों का पता चला है ;

(ख) इसी अवधि में तस्कर-व्यापार के सन्देह में कितने अखबारी कागज के व्यापारी पकड़े गये ; और

(ग) इन में से कितनों के खिलाफ कार्यवाही की गई और कितनों को पर्याप्त प्रमाण न होने के कारण छोड़ दिया गया ?

उद्योग मंत्री (श्री मनुभाई शाह) : (क) और (ख) एक भी नहीं ।

(ग) प्रश्न ही नहीं उठता ।

नेताजी सुभाष के भाषण और लेख

२७१. **श्री भक्त दर्शन :**
श्री मे० क० कुमारन :

क्या **सूचना और प्रसारण** मंत्री १२ अगस्त १९६० के अतारांकित प्रश्न संख्या ६७५ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि इस बीच नेताजी सुभाष चन्द्र बोस के भाषणों तथा लेखों के संकलन और प्रकाशन में क्या प्रगति हुई है ?

सूचना और प्रसारण मंत्री (डा० केसकर) : प्रकाशन सलाहकार समिति की अपील के फलस्वरूप कुछ सामग्री प्राप्त हुई है तथा पूर्व-एशिया के देशों से कुछ और सामग्री मिलने की उम्मीद है । विचार है कि इस साल के अन्त तक इस सामग्री की प्रतीक्षा की जाए ताकि संकलन में ज्यादा से ज्यादा सामग्री आ सके । इसके बाद संकलन को अन्तिम रूप दे कर छपने को दे दिया जायगा ।

शहीद स्मारक

२७२. **श्री भक्त दर्शन :**
श्री डी० चं० शर्मा :

क्या **निर्माण, आवास और संभरण** मंत्री १८ अगस्त, १९६० के तारांकित प्रश्न संख्या ५१९ के उत्तर के संबंध में यह बताने की कृपा करेंगे कि इस बीच दिल्ली में शहीद स्मारक के निर्माण में क्या प्रगति हुई है ?

निर्माण, आवास तथा संभरण उपमंत्री (श्री अ० कु० चंदा) : जैसा कि १८ अगस्त १९६० को तारांकित प्रश्न संख्या ५१९ के उत्तर में बताया गया था, मूर्तिकार (संगतराश) शहीद स्मारक का काम तब तक हाथ में नहीं ले सकेगा जब तक कि भारत सरकार द्वारा उसे सौंपा गया वह काम पूरा नहीं हो जाता, जिस में वह पहले लगा हुआ है । ऐसा दीख पड़ता है कि उसे उस काम को पूरा करने में अभी एक साल और लगेगा । तब तक शहीद स्मारक के काम में कोई प्रगति नहीं हो सकेगी ।

Rising Level of Prices

273. **Shri A. M. Tariq:**
Shri Ram Krishan Gupta:
Shri D. C. Sharma:

Will the **Minister of Planning** be pleased to refer to the reply given to Unstarred Question No. 446 on the 9th August, 1960, and state whether the examination of the problem of rising level of prices and soaring cost of living has been completed by now?

The Deputy Minister of Planning (Shri S. N. Mishra): The Working

Group on Prices referred to in the question was intended only for the purpose of preparing the material for consideration of the Planning Commission. The Working Group prepared some papers to this end. The question of price policy is under continuous study in the Planning Commission.

दिल्ली का लाजपतराय मार्केट

२७४. **श्री प्रकाशवीर शास्त्री :** क्या पुनर्वास तथा अल्पसंख्यक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या लाजपतराय मार्केट में दुकानदारों ने बाजार के उस भाग में दुकानें खाली कर दी हैं जहां नई दुकानें बननी हैं ;

(ख) यदि नहीं, तो क्या लाजपतराय मार्केट के निर्माण कार्य की इस वर्ष के अन्त तक समाप्त हो जाने की संभावना है ;

(ग) बने हुये भाग में कितने दुकानदारों को दुकानें दी गई हैं;

(घ) लाजपतराय मार्केट के शेष भाग के बन जाने पर कितने दुकानदारों को दुकानें दी जायेंगी ?

पुनर्वास उपमंत्री (श्री ब्र० शे० नास्कर) : (क) जी नहीं ।

(ख) संभवत: नहीं ।

(ग) ४४० ।

(घ) शेष भाग के नक्शे में ३३८ दुकानें/स्टाल बनाए जाने की व्यवस्था है ।

Indo-Pakistan Boundary

275. **Shri Bahadur Singh:**
Shri Inder J. Malhotra:

Will the **Prime Minister** be pleased to state:

(a) whether a delegation from Pakistan came to Chandigarh to hold discussion in regard to the implementation of the Indo-Pakistan border agreement reached in January, 1960;

(b) the number of meetings held, and the decision taken to implement the agreement;

(c) the number of families on the Indian side likely to be displaced as a result of the exchange of areas in Ferozepur district and other parts too; and

(d) the alternative arrangements made to rehabilitate these displaced families by the implementation of this agreement?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes Sir.

(b) the delegations of the Punjab and West Pakistan Governments held two meetings at Chandigarh and Simla on the 8th and 10th September, 1960, respectively. These meetings were part of periodical conferences to settle details of the implementation of the decisions of the Indo-Pakistan Conference in January, 1960 relating to the Punjab-West Pakistan border.

(c) The area which it has been agreed will be transferred to Pakistan has a population of 2100. It is not essential that all this population should be displaced. These persons can continue to live on their land and even retain their Indian citizenship, but they will be subject to the laws of the State under whose jurisdiction these areas fall.

(d) Resettlement measures including payment of compensation will be taken by the Government of Punjab.

Cess on Coal

276. **Shri T. B. Vittal Rao:** Will the Minister of Labour and Employment be pleased to state:

(a) when the proposal to increase the rate of cess on coal despatched

from 37·5 to 50 naye paise per ton will be brought into effect;

(b) the total number of quarters constructed for coal miners during the six months period commencing from 1st April, to 30th September, 1960; and

(c) the amount advanced to Singareni Colliery Company during this period for this purpose?

The Deputy Minister of Planning and Labour and Employment (Shri L. N. Mishra): (a) Shortly.

(b) 2,103.

(c) Rs. 1,56,933·50 nP.

Work-Charged Staff of C.P.W.D.

277. **Shri Tangamani:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the number of permanent posts created on the work-charged establishment in the Central Public Works Department with effect from 1st April, 1958 according to each category of post;

(b) the number of persons confirmed so far against these permanent posts; and

(c) the reasons for delay in confirming the eligible persons against all the permanent posts?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) A statement showing the required information is laid on the Table of the Lok Sabha. [*See* Appendix I, annexure No. 55.]

(b) The Ad-Hoc Committee has submitted lists of 1500 workers for confirmation. Confirmation orders of 85 workers have been issued by the Chief Engineer.

(c) The delay is due to the fact that nearly 12,000 service rolls have to be scrutinised. Out of these, a number of service rolls was not readily available. In many cases, the entries in the service rolls are incomplete and require further scrutiny. The work is, however, proceeding apace.

Central Training Institute for Women Instructors

278. **Shri Ram Krishan Gupta:** Will the Minister of **Labour and Employment** be pleased to refer to the reply given to Unstarred Question No. 668 on the 12th August, 1960 and state:

(a) whether the scheme of reorganisation and expansion of Central Training Institute for Women Instructors has been finalised; and

(b) if so, the details thereof?

The Deputy Minister of Planning and Labour and Employment (Shri L. N. Mishra): (a) No.

(b) Does not arise.

Graphite

279. **Shri D. C. Sharma:**
Shri Ram Krishan Gupta:
Shri Rameshwar Tantia:

Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 27 on the 1st August, 1960 and state at what stage is the scheme for setting up a plant to produce reactor grade and commercial grade graphite?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The question of setting up a Plant to produce reactor grade and commercial grade graphite is still under consideration and there have been no further developments since August 1, 1960.

Hindustan Chemicals and Fertilizers Ltd.

280. **Shri D. C. Sharma:**
Shri Daljit Singh:
Shri Ram Krishan Gupta:
Dr. Ram Subhag Singh:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No.

137, on the 4th August, 1960 and state the further progress made in the setting up of the Hindustan Chemicals and Fertilizers Ltd. at Nangal?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): A statement is laid on the Table. [*See* Appendix I, nnexure No. 56.]

Demand for Indian Officers Abroad

281. **Shri Shree Narayan Das**: Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that several countries have asked for the loan of Indian officials working in the Directorate of Employment and Training;

(b) if so, the nature of requests received giving names of such countries as have asked for such help; and

(c) the extent to which India has acceded to this request?

The Deputy Minister of Labour (Shri Abid Ali): (a) to (c). No requests as such were received from any country. The I.L.O. however, offered appointments to three Indian officers for assignment as Manpower Experts in Sudan, Afghanistan and Iraq respectively under their Expanded Programme of Technical Assistance. The request of the I.L.O. was acceded to and these officers were accordingly deputed.

Industries in Orissa

282. **Shri P. G. Deb**: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 2025 on the 2nd September, 1960 and state:

(a) the total allocations of copper and zinc made to the Industries in Orissa; and

(b) to Scheduled and non-Scheduled Industries from March, 1958 to November, 1960?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is given below:

STATEMENT

Allocations of copper and zinc to scheduled and non-scheduled industries in Orissa during the period March, 1958 to November, 1960.

	Copper		Zinc	
	Scheduled Industries	Non-scheduled Industries	Scheduled Industries	Non-scheduled Industries
		(In Metric tons)		
October, 1958 September 1960	Nil	187·96	4656	182·8

NOTE :

Copper—No allotments were made for the period March, 1958 to March, 1959 for non-scheduled units.

Zinc—No allotments wer made for the period March, 1958—September, 1958 for the Scheduled industries and for the period March, 1958 to March, 1959 to the non-scheduled industries.

Export of Iron Ore

283. **Shri Chintamoni Panigrahi**: Will the Minister of **Commerce and Industry** be pleased to state:

(a) what were the allotments of wagons made to Bansapani sector by the State Trading Corporation daily from 6th June, 1960 to 19th September, 1960 for movement of iron ores

to the steel mills from the Bansapani sector:

(b) how much of this wagon allotment was met by the Railways during this period:

(c) what was the allotment of wagons made to Bansapani sector by the State Trading Corporation daily from 6th June, 1960 to 19th September, 1960 for movement of iron ores for exports to the Calcutta port during this period; and

(d) how much of this wagon allotment was met by the Railways during this period?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) to (d). Allotment of wagons is made by the railways and not by the S.T.C. During the period in question, railways supplied 2803 wagons for movement of iron ore to Steel Mills from the Bansapani Sector on S.T.C.'s account as against the allotments for 5633 wagons. During the same period 208 wagons were supplied for movement of iron ore for export to the Calcutta Port as against the indents for 1165 wagons.

Five Year Plan for Development of Dandakaranya

284. Shri Chintamoni Panigrahi: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether the Dandakaranya Development Authority have prepared a general Five Year Plan for the development of Dandakaranya area; and

(b) if so, what is the nature of this Five Year Plan?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) The Plan is under preparation.

(b) Does not arise.

C.P.W.D.

285. Shri Rajendra Singh: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that Government have proposed to introduce "Surveying and Technical Examination System" in C.P.W.D.;

(b) if so, since when do they propose to introduce the scheme; and

(c) if already introduced, what are the results of its working?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). A chief Technical Examiner's Organisation has already been set up in the Ministry of Works, Housing and Supply to conduct technical examination of works executed by C.P.W.D. The Organisation is functioning since June, 1957.

(c) Errors, omissions and irregularities detected are brought to the notice of departmental officers to remove defects noticed and to avoid repetition.

Overpayments detected are intimated to the Accountants General to effect recovery from contractors.

As a result of continuance and concurrent technical audit, there is a growing improvement in the quality of new works now being executed and a perceptible awakening in the minds of officers and contractors to execute works conforming to specifications.

Financial Allotment to Kerala State

286. { Shri Warior:
{ Shri Vasudevan Nair:

Will the Minister of **Planning** be pleased to refer to the reply given to Unstarred Question No. 908 on the 18th August, 1960 and state:

(a) Whether the information called for from the State Government regarding the amount actually utilised in the third and fourth years of the Second Five Year Plan and the percentage of the physical targets reached under all heads had been received; and

(b) if so, the nature thereof?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) Yes; Sir.

(b) A statement is laid on the Table of the House. [*See* Appendix I, annexure No. 57].

Salt Committee

287. { **Shri S. C. Samanta:** / **Shri Subodh Hansda:**

Will the Minister of **Commerce and Industry** be pleased to refer to Unstarred Question No. 1962 on the 2nd September, 1960 and state:

(a) what steps have been taken so far to speed up production of Salt in the coastal areas of West Bengal so that West Bengal, Bihar, Assam and Orissa will be self-sufficient in Salt for edible and commercial purposes;

(b) whether the recommendations of the Salt Expert Committee of 1950 in the matter were complied with; and

(c) what are the recommendations of the Salt Committee which submitted its report last year about the matter and how far they going to be implemented?

The Minister of Industry (Shri Manubhai Shah): (a) A production-*cum*-training centre is being established at Sisirganj in West Bengal to demonstrate to salt manufacturers in the area scientific methods of salt production. Licences for the manufacure of salt in the State are also liberally issued.

(b) The recommendations of the Salt Committee 1950, have been complied with wherever possible.

(c) The Salt Committee has recommended that efforts should be made to step up production of salt in underdeveloped areas including West Bengal. The etablishment of the training-*cum*-production centre at Sisirganj is in pursuance of this recommendation. The possibility of producing salt in the Contai area is also being explored.

Foreign Collaboration for Industries

288. **Shri P. K. Deo:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether there has been any foreign financial and technical collaboration with Indian firms for establishment of Industries in the country since 1st April, 1960 upto-date; and

(b) if so, the details of these collaborations?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) From April to October 1960, the Government of India have approved 228 agreements between Indian and foreign entrepreneurs for the manufacture of a variety of items. The agreements country-wise have been:—

U.K.	80
West Germany	41
U.S.A.	35
Japan	23
other countries.	49

Low Income Group Housing Scheme

289. **Shri Yadav Narayan Jadhav:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that Government has changed its original rate of interest and method of calculating interest on the loans granted under the Low Income Group Housing Scheme;

(b) if so, what is the rate of interest charged on these loans; and

(c) how the interest is calculated?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) No.

(b) and (c). The rate of interest, to be charged on loans given under Low Income Group Housing Scheme, is determined by the Government of India from time to time, depending upon the Government's own borrowing rate of interest and the period of repayment of loan. The principal amount with interest is recovered in

annual equated instalments, and this contemplates appropriation of the annual instalment of repayment first towards the interest and the remainder towards the principal.

Amendment to Workmen's Compensation Act

290. { **Shri Rajendra Singh:** / **Shri Halder:**

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether it is a fact that Government propose to amend the Workmen's Compensation Act to provide increased rate of compensation;

(b) if so, what is the proposal of Government in amending the Workmen's Compensation Act; and

(c) what actual benefits will accrue from this amendment?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) and (c). The proposal is that the rates of compensation for death and permanent disablement should be doubled and that lump sum payments should be replaced by a system of periodic payments, which should be disbursed through the agency of the Employees' State Insurance Corporation. It is also proposed to increase the rate of compensation for temporary disablement by 25 per cent provided that the amount payable does not exceed the wages for the same period and to increase the wage limit for coverage from Rs. 400 to Rs. 500.

Export of Films

291. **Shri Yadav Narayan Jadhav:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government have entered into an agreement with the Rank films in U.K. for renting of the Indian Films, for export of films and for production of films; and

(b) if so, what is the agreement?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Yes, Sir.

(b) A copy of the Agreement is laid on the Table. [*See* Appendix I, annexure No. 58].

Multi-storeyed Buildings in Delhi

292. **Shri Kalika Singh:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) how many multi-storeyed buildings have been proposed to be constructed by the Government of India in New Delhi with height and the number of storeys of each;

(b) whether buildings have been proposed to be constructed between the President's House and India Gate, some of which are to be located in big open space just near the Secretariat Blocks; and

(c) the estimated costs of the buildings?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) to (c). The proposal for construction of multi-storeyed office buildings in the general pool in the Central Secretariat Complex, comprising the area adjoining the Vijay Chowk and the Central Vista, and the pattern thereof, has not yet been finalised.

Evacuee Property

293. **Shri Kalika Singh:** Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) the total value of evacuee properties State-wise and Union Territory-wise acquired for relief and rehabilitation of displaced persons including payment of compensation to them under the Displaced Persons (Compensation and Rehabilitation) Act, 1954;

(b) the total compensation paid to displaced persons under the aforesaid Act; and

(c) total valuation of the properties of displaced persons in Pakistan?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) A statement is laid on the Table of the Lok Sabha. [*See* Appendix I, annexure No. 59].

(b) Rs. 139.59 Crores (Upto 20th September, 1960).

(c) Rs. 500 Crores approximately.

Sayajee Jubilee Cotton Mills, Sidhpur

294. Shri M. B. Thakore: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government propose to start Shree Sayajee Jubilee Cotton and Jute Mills, Sidhpur in Gujrat State; and

(b) if so, the approximate time by which the Mill would work?

The Minister of Commerce (Shri Kanungo): (a) The question as to how the Mills may start re-working is under examination in consultation with the Government of Gujarat.

(b) Does not arise now.

Cheap Radio Sets

295. Shri Ajit Singh Sarhadi: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred question No. 159 on the 4th August, 1960 and state:

(a) whether the report of the Committee appointed in connection with the manufacture of cheap radio sets has since been implemented;

(b) if so, to what extent; and

(c) whether there has been any appreciable increase in the production of cheap radio sets?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). The Committee made certain recommendations. In order to expedite the production of cheap radio sets, a meeting of the radio manufacturers was called on the 26th May, 1960, to discuss the question of production of cheap radio receivers. As a result of the discussions in the meeting it was decided that:

(a) a production of 50,000 to 60,000 cheap radio sets should be aimed at in one year.

(b) every manufacturer would produce at least up to 10 per cent. of his production in cheap radio receivers within the existing foreign exchange allocation.

(c) for every 5 per cent. additional production of cheap radio sets over the 10 per cent., the manufacturer will be given 5 per cent. additional foreign exchange for import of components and raw materials, subject to a maximum production of 20 per cent. sets over and above the production of 10 per cent. as in (b) above.

(d) the manufacturers should make an all-out attempt to put cheap radio receivers in the market by 1st December, 1960 and

(e) it was agreed that the sale price of the cheap radio receivers should be Rs. 125 including all taxes except local state sales tax.

These decisions are being implemented by the radio manufacturers and it is expected that such sets will become available in the market by the end of 1960 and onwards.

Razor Blades

296. { Shri Ajit Singh Sarhadi: Shri Rami Reddy:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 161 on the 4th August, 1960 and state.

(a) whether two new schemes approved for the production of razor blades have materialised;

(b) if so, to what extent;

(c) what deficit in production for self-sufficiency will be left after completion of these two schemes; and

(d) how the deficit is to be met?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). The two firms have not yet gone into production. One of the firms have been granted the import licence for plant and machinery and they have already opened a letter of credit for this purpose, and have also imported a portion of the machinery covered by the import licence. The other firm is yet to take effective steps such as import of plant and machinery, raw materials etc. to implement their programme.

(c) and (d). A total capacity of 1261 million Nos. of razor blades per annum has so far been licensed in the large scale sector and a unit for the manufacture of 12 million Nos. in the Small Scale Sector has also been approved. Two more schemes in the large scale sector with a total capacity of 210 million Nos. are at present under consideration. Further schemes will also be considered for approval on merits. When all these units come into full production, it would be sufficient to meet the foreseeable demand in the country.

Tea-garden Workers

297. **Shri Aurobindo Ghosal:**
Shri S. A. Mehdi:
Shri P. G. Deb:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any sample survey was made by the Tea Board regarding the tea-garden workers' addiction to alcohol; and

(b) if so, the details of their report?

The Minister of Commerce (Shri Kanungo): (a) and (b). No survey has been made by the Tea Board specifically regarding tea garden workers' addiction to alcohol. However, a sample survey undertaken in 1958 of the general economic and social behaviour pattern of tea plantation labour in 10 gardens in Assam revealed a high incidence of liquor addiction in the families investigated.

Agricultural Loan to Displaced Persons in Tripura

298. Shri Dasaratha Deb: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) how many refugee families are yet to receive full agricultural rehabilitation loan in Tripura; and

(b) what steps are being taken to expedite the payment?

The Deputy Minister of Rehabilitation (Shri P. S. Naskar): (a) 1,599 families.

(b) Payments are expected to be completed by the 31st March, 1961.

Misuse of newsprint quota

299. Shri Halder: Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 2331 on the 7th September, 1960 and state:

(a) whether investigation has since been completed in regard to misuse of newsprint quota by Calcutta papers;

(b) if so, which are the papers involved; and

(c) the action taken in the matter?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) and (c). Do not arise.

Corporations for Small Scale Industries

300. **Shri Ram Krishan Gupta:**
Shri Ajit Singh Sarhadi:
Shri Madhusudan Rao:
Shri Damani:
Shri Pangarkar:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question

No. 6 on the 1st August, 1960 and state the progress since made in the establishment of Corporations for small-scale industries in the remaining States?

The Minister of Industry (Shri Manubhai Shah): The remaining State Governments have not yet finalised their schemes for setting up of Corporations for Small Scale Industries. They have been requested to expedite the finalisation of their schemes.

Citizenship Rights for Tibetans

301. Shri Hem Raj: Will the **Prime Minister** be pleased to state:

(a) the number of properties purchased by Tibetans in Punjab during 1960 and the value thereof; and

(b) whether those Tibetans have obtained the citizenship rights in India?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) No immoveable property has been purchased by any Tibetan in the Punjab during 1960.

(b) No Tibetan refugee has been granted Indian citizenship so far.

Leather Industry

302. Shrimati Ila Palchoudhuri: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that a proposal to set up functional industrial estates in India for the development of leather industry in the country is under the consideration of the Government of India;

(b) if so, the details thereof; and

(c) the nature of progress made in connection therewith?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). On the recommendation of the Panel for Leather and Leather Goods Industries, it has been proposed to the Governments of U.P. and Madras to set up, one industrial estate each at Agra and Madras exclusively for the manufacture of leather goods including footwear during the first year of the Third Plan. The scheme for this Industrial Estate at Madras is being formulated by the State Government and the land required for it will be acquired during the current financial year. The details of the scheme of the Industrial Estate at Agra are awaited from the U.P. Government.

Barter Deals

303. Shri P. C. Borooah: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether barter deals are allowed between private parties in India and abroad; and

(b) if so, whether they are routed through the State Trading Corporation?

The Minister of Commerce (Shri Kanungo): (a) Yes, Sir, in approved cases.

(b) Yes, Sir.

अल्यूमीनियम का कारखाना

३०४. श्री मोहन स्वरूप : क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि नैनी (इलाहाबाद के निकट) में रूस के सहयोग से एक अल्यूमीनियम का कारखाना स्थापित किया जा रहा है;

(ख) यदि हां, तो यह कारखाना संभवत: कब तक स्थापित हो जायेगा और उस पर अनुमानत: कितना व्यय होगा; और

(ग) इस संबंध में रूस से सहायता के तौर पर कितनी राशि प्राप्त होने की आशा है;

उद्योग मंत्री (श्री मनभाई शाह) : (क) जी नहीं ।

(ख) तथा (ग). प्रश्न ही नहीं उठते ।

विदेशों में भारतीय

३०५. **श्री अमर सिंह डामर** : क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) किन-किन देशों में भारतीय बस गए हैं और प्रत्येक देश में उनकी संख्या कितनी है; और

(ख) उन में से कितने भारतीयों ने उन-उन देशों की नागरिकता ग्रहण कर ली है और कितने अब भी भारतीय नागरिक हैं ?

प्रधान मंत्री तथा वैदेशिक-कार्य मंत्री (श्री जवाहरलाल नेहरू) : (क) और (ख). जो भारत लोग विदेशों में जा बसे हैं, उन के आंकड़ों के संबंध में सामान्य जानकारी "इंडिया १९६०" में दी गई है जिसे सूचना तथा प्रसार मंत्रालय प्रकाशित करता है । लेकिन उक्त श्रेणी के जिन लोगों ने स्थानीय नागरिकता ग्रहण कर ली है या जो कि भारतीय नागरिकों के रूप में रहे हैं, उनकी कुल संख्या मालूम नहीं है क्योंकि उन में से बहुत से लोग हमारे विदेश स्थित मिशनों में अपने आप को या तो रजिस्टर नहीं कराते या जब वे स्थानीय नागरिकता ग्रहण करते हैं तो उसकी सूचना नहीं देते ।

Disbursement of Pay of Workcharged Staff of C.P.W.D.

306. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the Assistant Directors of Horticulture, Section Officers (Hort.) and choudharies are authorised to disburse the pay of the workcharged staff of the Central Public Works Department;

(b) if not, whether the pay is actually disbursed by the choudharies and section officers; and

(c) if so, the reasons therefor?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) No.

(b) The payment is normally made by the Divisional Cashier, in the presence of Sub-Divisional Officers and Subordinate concerned.

(c) Does not arise.

Workcharged Establishment of C.P.W.D.

307. Shri Tangamani: Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 2846 on the 28th April, 1960 and state:

(a) whether it is a fact that the posts of Lift Cleaners, Lift Attendants and Lift Mechanic and Mistry exist on the workcharged establishment of the Central Public Works Department;

(b) if so, what was the special nature of work which demanded sanction of these posts on the regular establishment as isolated posts; and

(c) what was the special nature of work which demanded sanction of the posts of Lift Fitter and Head Lift Mechanic as isolated posts?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) and (c). The posts of Lift Staff were initially sanctioned on regular establishment in 1933 for the Secretariat buildings and Parliament House. The additional posts in these categories required due to increase of staff and also for the newly built Central Government Office buildings, were sanctioned on the workcharged establishment. The nature of duties performed by similar categories of Lift Staff on regular establishment and workcharged establishment is the same. The question of bringing all the categories of Lift Staff on the regular establishment is under examination.

Prices of Cotton

308. **Shri P. R. Patel:**
Shri Aurobindo Ghosal:
Shri B. Das Gupta:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the ceiling prices of different varieties of cotton are fixed;

(b) what were the previous ceiling prices and in what year were they fixed and what are the present ceiling prices fixed;

(c) whether any body was consulted in fixing the ceiling prices and if so the names of the members of the body and the organisations they represented;

(d) whether Government have received protests against low ceiling of Kalyan Cotton from Congress organisations and agriculturists;

(e) whether Government have considered the cost of production of Kalyan Cotton in lowering the ceiling price of Kalyan Cotton by Rs. 40; and

(f) whether any procedure of cotton sales is prescribed?

The Minister of Commerce (Shri Kanungo): (a) Ceiling prices of different varieties of cotton are fixed before the commencement of every cotton season.

(b) Copies of the Price Schedules for the last season as well the current season are laid on the Table. [*See* Appendix I, annexure No. 60]. The present ceiling of the basic variety, *viz.*, Jarilla 25'32", was fixed in 1953-54 and it is continued with slight modifications made in the differentials of other varieties from time to time.

(c) The Indian Central Cotton Committee, East India Cotton Association and some prominent cotton men representing the trade, industry and growers have been consulted and the views expressed by various cotton organisations have also been taken into account while fixing the floor and ceiling prices.

(d) Yes, Sir.

(e) Prices of cotton are generally fixed according to the trade sense of differentials prevailing in normal times and the price of Kalyan cotton was fixed according to the differentials which prevailed for that cotton during the past several years in relation to other cottons.

(f) No particular procedure for cotton sale is prescribed except that before delivery to the mills or removing cotton from the Pressing factory samples for survey have to be drawn.

Industrial Survey of Orissa

309. **Dr. Samantsinhar:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any survey of the coastal districts of Orissa was conducted in 1958 to assess the industrial possibilities there;

(b) if so, what were the main recommendations of the survey party; and

(c) what steps have been taken to implement these recommendations?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) and (c). Do not arise.

न्यूटन-चिकली कोयला क्षेत्र

३११. **श्री रामजी वर्मा** : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य प्रदेश के न्यूटन-चिकली कोयला-क्षेत्र में कितने रजिस्टर्ड मजदूर संघ हैं और उन में से प्रत्येक के कितने सदस्य हैं ;

(ख) वहां पीने के लिए पानी के कितने कुएं बनाये गये और कितने नल लगाये गये, कितने खान पर के स्नानागार (पिट-बाथ) बनाये गये और वे कब बनाये गये ;

(ग) वहां कितने क्रेश हाउसेज (कार्मिक संघ शिशु-गृह) हैं, उन से कितने बालक लाभान्वित होते हैं और इन गृहों के प्रबन्ध के लिए कितने कर्मचारी हैं ;

(घ) क्या न्यूटन-चिकली कोयला-क्षेत्र में भविष्य निधि का अब तक का हिसाब ठीक रखा गया है ;

(ङ) यदि हां, तो कुल भविष्य-निधि कितनी है ; और

(च) क्या मजदूरों को उनकी भविष्य-निधि की जानकारी दे दी गई है ?

श्रम और रोजगार तथा योजना उपमंत्री (श्री ल० ना० मिश्र) : (क) से (ग) सूचना प्राप्त की जा रही है और सभा की मेज पर रख दी जायेगी ।

(घ) न्यूटन-चिकली कोयला खानों के कामगरों के प्रोविडेण्ट फंड का हिसाब कोयला खान प्रोविडेण्ट फंड कमिश्नर रखते हैं । जून १९६० तक का चन्दा वसूल हो गया है ।

(ङ) सूचना प्राप्त नहीं है ।

(च) कामगरों को १९५७ तक के प्रोविडेण्ट फंड के हिसाब का लेखा दे दिया गया है । १९५८ का लेखा जल्दी ही दे दिया जायेगा ।

Herobhanga Colony

312. Shrimati Renu Chakravartty: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether the cultivation of paddy in Herobhanga Colony Block I this year holds out promise of good crop in the fourth year after the building of bunds in the various other blocks; and

(b) in view of the opinion of the Indian Council of Agricultural Research experts whether the question of extending the period of maintenance allowance has been considered?

The Deputy Minister of Rehabilitations (Shri P. S. Naskar): (a) and (b). The information is being collected from the State Government and will be placed on the Table of the Lok Sabha.

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12 hrs.

PAPERS LAID ON THE TABLE

NOTIFICATIONS *re*: WOOLLEN TEXTILE (PRODUCTION AND DISTRIBUTION CONTROL) ORDER AND TEA (AMENDMENT) RULES

The Minister of Commerce (Shri **Kanungo**): I beg to lay on the Table—

(i) A copy of the Woollen Textiles (Production and Distribution Control) Order, 1960 published in Notification No. S. O. 2643 dated the 29th October, 1960, under sub-section (6) of section 3 of the Essential Commodities Act, 1955. [*Placed in Library, See* No. LT-244/60.]

(ii) A copy of the Tea (Amendment) Rules, 1960, published in Notification No. G.S.R. 1293 dated the 5th November, 1960, under sub-section (3) of Section 49 of the Tea Act, 1953. [*Placed in Library, See* No. LT-2442/60].

REPORT OF DELEGATION TO ILO CONFERENCE AND CONCLUSIONS OF INDUSTRIAL COMMITTEE ON PLANTATIONS

The Deputy Minister of Labour (Shri Abid Ali): I beg to lay on the Table a copy of each of the following papers:—

(i) Report of the Indian Government Delegation to the forty-fourth session of the International Labour Conference held at Geneva in June, 1960.

[*Placed in Library, See* No. LT-2443/60].

(ii) Conclusions of the Third Meeting of the 9th Session of the Industrial Committee on Plantations held at New Delhi on the 3rd August 1960. [*Placed in Library, See* No. LT-2444/60].

12.02 hrs.

PETITIONS *RE*:

(i) INDIAN INSTITUTE OF ARCHAEOLOGY BILL

(ii) NATIONAL MONUMENTS COMMISSION BILL

Shri Narasimhan (Krishnagiri): I beg to present two petitions signed by fourteen petitioners each relating to the Indian Institute of Archaeology Bill, 1960, and the National Monuments Commission Bill, 1960, respectively.

12.03 hrs.

RE: QUESTION OF PRIVILEGE

Mr. Speaker: I have to inform the House that Shri A. M. Tariq had given notice of a question of privilege regarding the following passage published in the *Time*, a weekly magazine, dated the 26th September 1960:—

> "At session's end, *irate* Speaker Ayyangar scheduled a 30-minute debate on Air-India International's flip public relations image, then cancelled the debate after friends of the airline management asked him to tone down the attack".

Subsequently, as I informed the House, yesterday, I have received the following letter, dated the 15th November 1960, from Mr. James Shepherd, the local correspondent of the *Time*—in between, Shri A. M. Tariq had written a letter to the *Time* and sent it through their correspondent here in the Press Gallery, Mr. James Shepherd, and I think a large portion of that letter was published in the *Time*.

Shri S. M. Banerjee (Kanpur): Not the important portion, not the portion dealing with that.

Mr. Speaker: This is what is said. I got the following letter from Mr. James Shepherd:

> "With very genuine regret I apologize on behalf of *Time* magazine and myself for the unfortunate mis-statement of fact regarding yourself which appeared in the item entitled "The Dangers of Wit' published in the September 26, 1960, issue of *Time*. In reporting the reference made in the Lok Sabha to the publicity campaign of Air-India International the magazine had said that a debate which had been scheduled was cancelled by you 'after friends of the airline management asked (you) to tone down the attack'. This is, of course, a complete error of fact.
>
> "Since then the magazine in its issue of November 14, 1960, has published a letter from Mr. A. M. Tariq, MP, in which he has drawn attention to our error.
>
> "In explanation for this error, I can only say that the editors of *Time* had been misinformed of the real reason as to why the debate was not held. I do not offer this explanation as an excuse but only as a statement of what happened. It is the policy of *Time* to report events as accurately as is possible and this makes as all the more regretful of the mistake we have made.
>
> "Once again permit me to assure you that we are extremely sorry".

In view of this letter of regret, the House may be pleased to close the matter.

Shri Braj Raj Singh (Ferozabad): One thing remains.....

Shri H. N. Mukerjee (Calcutta-Central) *rose*—

Mr. Speaker: The matter is closed.

Shri A. M. Tariq (Jammu and Kashmir): As you are aware and as hon. Members of this House are aware, this magazine *Time* has got a world-wide circulation and it is being taken as a very serious journal. Whatever is put down in that journal is being taken as correct information.

Now, after I wrote a letter to the Magazine, it was not published completely. Only a portion of it was published. It was the duty of the Editors of the Magazine and their correspondent in Delhi to say that they regretted this error, when my letter was published. Now, I do not press that they should publish this letter in their paper, but they must publish in a box this regret about the error they made in respect of their comment about the Speaker of the Indian Parliament.

Shri H. N. Mukerjee: Normally, I would have agreed entirely with the suggestion that you have made that the matter be dropped after this apology from the correspondent concerned. But I have read the passages, not only the one which you have read out but the entire text which is a rather stupid but none-the-less irritatingly patronising piece of contemptuous comment in regard to the working of Parliament in this country. In view of that, I feel that since we are very particular in regard to matters where our privileges are infringed—if a journalist in this country had defaulted in this way, surely he would have had to publish the apology in his own paper—without any kind of assurance from the correspondent that he is going to have this apology published in *Time* so that all the world knows that the reflection upon the Indian Parliament and the hon. the Speaker has been withdrawn, has been apologised for, till that is done, some step ought to be taken here against this man who is abusing the hospitality of Parliament and of this country.

Shri Naushir Bharucha (East Khandesh): No, Sir. The matter should be closed.

Mr. Speaker: I am sure the general impression is that the matter should be treated as closed. Whatever occurs in this House will have the maximum amount of publicity outside. It will appear in all the papers. I am sure that in view of the unconditional apology that he has tendered, he won't commit any such mistake in future. So far as this matter is concerned, I believe the general sense of the House is that we drop further proceedings in the matter.

Shri A. M. Tariq: I want to draw your attention to a correction to be made in the record....

Mr. Speaker: The hon. Member should not take this opportunity to say anything more.

Shri A. M. Tariq: Yesterday you mentioned some name.

This paper had not mentioned any name. It had only said 'friends of the airline management'. So I wanted to correct the record.

Mr. Speaker: Very well. That correction will be made.

12.09. hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

MINING OF COAL BY PRIVATE SECTOR

Shri Braj Raj Singh (Firozabad): Under Rule 197, I beg to call the attention of the Minister of Steel, Mines and Fuel to the following matter of urgent public importance

and I request that he may make a statement thereon:

> The reported change in the policy of the Government regarding the latitude given to the private sector in mining coal.

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): The basic policy in regard to coal production, which was adopted during the second Plan and had the approval of the Parliament, was to assess the total requirement of coal in our national economy and then to apportion responsibility between the Private and Public sectors to achieve this production according to their capacity. The policy still remains the same. Our main objective being to produce all the coal that is needed, the allocation of the respective shares of the private and public sectors cannot be on the basis of a pre-determined target for each. The proper course is to make an assessment of the capacity of each and then to work out what contribution it should be called upon to make in order to achieve the total production needed. This has been our approach in deciding the part that each of these sectors has to play in the third Plan. Our estimate of coal requirements during the third Plan works out to 95 million tons, exclusive of an extra 2·5 million tons required for the projected fourth steel plant at Bokaro. This means an additional production of 35 million tons over the target of 60 million tons in the second Plan. A Working Group comprising the Coal Controller, the Coal Mining Adviser attached to the Ministry of Steel, Mines and Fuel and a representative of the coal industry was set up recently to invite offers from individual units, through the Joint Working Groups of the industry in regard to the additional production they were capable of achieving during the third Plan. This Working Group after securing the necessary information from the industry and scrutinising the individual offers from the point of view of feasibility made an assessment of the total capacity of the private sector. The final estimate of the said Group is that the private sector is capable of producing about 4.87 million tons of coking coal and about 11 million tons of non-coking coal, thus making a total of 16 million tons approximately. Of this total, about 12 to 13 million tons are estimated to be produced from the existing workings in the collieries in question and the rest from areas adjacent to them as well as from non-contiguous or proximate areas. This estimate can be considered fairly realistic, based as it is on an examination of what individual units are capable of producing. The figure has turned out to be the same as was tentatively mentioned in the draft outline as the private sector's target. Similarly, the capacity of the public sector comprising the National Coal Development Corporation and the Singareni Collieries has been estimated at 19 million tons. This assessment is again based on a careful examination of what the public sector is capable of achieving, taking into account such important factors as the availability of the necessary equipment, man-power and technical know-how.

The intention, however, is not to treat these allocations as rigid. These have been laid down for the present for the purpose of programmes to be drawn up by the various units, and the evaluation of performance from time to time. It is proposed to keep a close watch on the progress of each unit that is participating in the programme of additional production, and if shortfalls are noticed in one sector, adjustments would be made in the programme of the other sector, the basic objective being to ensure that the total production planned for is actually achieved.

The above policy is fully in accord with the Industrial Policy Resolution of 1956. That resolution stipulates that all new units in the coal industry will be set up by the State. But this does not preclude the expansion of the existing privately owned units or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when

[Sardar Swaran Singh]

the national interests so require. The role that has been assigned to the private sector I have just mentioned does not involve a general relaxation of the Industrial Policy Resolution itself. A realistic assessment having been made of the optimum production that can come from existing mines and areas immediately contiguous to these mines in the private sector, our intention is to give special permission to individual units to work new or non-contiguous areas where the raising of coal from such areas has to be ensured to make up the total production required. This is quite in consonance with what the Industrial Policy Resolution states, namely, that where the national interests so require, private enterprise may be allowed to expand.

Another important aspect of coal policy pertains to coal prices. In this regard we have adhered to a policy of holding the price line. It will be recalled that sometime ago Government had constituted a Coal Price Revision Committee which went into the entire price structure of coal and besides recommending an economic price for coal made certain other recommendations, the object of which was to create the right conditions for the expansion of coal production and assurance of supplies to consumers. These recommendations were accepted by Government and are being implemented. A very important one among these is the introduction of a scheme of subsidy to collieries which are handicapped by adverse factors such as presence of gas, very deep workings, difficult geological conditions, excessive accumulation of water, etc. and which cannot be worked economically at the existing coal prices, although it is in the national interest to keep them in production. Another important measure is the raising of the ceiling for stowing subsidy from 75 per cent.|85 per cent. to 100 per cent. Government are also going ahead with the scheme to put up Central ropeways both in Jharia and Raniganj coalfields for extraction of sand from the river beds and distribution to individual collieries. The scheme is expected to be put into effect by the end of the first quarter of 1963. All these schemes will benefit the private and public sectors alike.

To sum up then, there has been no radical change in Government's policy on coal. It is based on what the national interests require, and is entirely within the scope defined by the Industrial Policy Resolution of 1956.

Shri Braj Raj Singh: Sir, may I put a question? Since the Minister has, time and again, referred to the Industrial Policy Resolution of 1956, may I, for the information of the House quote the relevant portion of the Industrial Policy Resolution? It is:

> "This does not preclude the expansion of the existing privately owned units or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require."

The Resolution never says that the new units should not be allowed to be set up. It says:

> "All new units in these industries, save where their establishment in the private sector has already been approved, shall be in the public sector."

May I know whether Government is prepared to have an interpretation of these words through a Judge of the High Court or of the Supreme Court whether this will allow the establishment of new units in other sectors.

Sardar Swaran Singh: This House is wise enough to interpret this provision. It is only a statement of policy. It is not a statute. The policy is always laid down here. We can alter a policy. I have stated my interpretation. The Industrial Policy Resolution, I have ventured to submit, is not opposed to our present policy. (*Interruptions*).

Shri Nath Pai (Rajapur): There cannot be two opinions that every step should be taken by Government to fulfil the Plan targets. What we are afraid of is that—as he has indicated—there is a gradual modification of the Industrial Policy in a sense. When such a thing is happening and the Government thinks it necessary that it should happen, at least the House should be informed that this is what is happening or what is being done. He used the phraseology, 'contiguous areas could be exploited by the existing mine owners in the private sector'.

Mr. Speaker: I will allow a discussion on this. Of course, hon. Members know that they must apply.

Shri T. B. Vittal Rao (Khammam): Yes.

12·18 hrs.

COMPANIES (AMENDMENT) BILL —*Contd.*

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Nityanand Kanungo on the 15th November, 1960, namely:

> "That the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee, be taken into consideration."

Shri Naushir Bharucha was in possession of the House.

I may inform the House that the hon. Deputy-Speaker told me that yesterday, at about 2·50 p.m. or so, it appeared as if the debate would collapse. Even the Minister was here; no hon. Member was willing to speak. Now, I find that as many as 12 or 13 hon. Members want to speak. Probably some more also. Every hon. Member wants to choose his own time and makes it impossible for the Speaker to adjust. I cannot adjust unless I prepare my own list, and unless the hon. Members who want to speak are here from time of the start of the debate right up to the end. I will note down their names. They cannot force their own time and convenience upon me.

Sometimes some hon. Members write to me, 'I am anxious to go by this train; I have got an appointment: I want to attend a cinema'—some thing like that. Though it is not a cinema, it is something like that. They say, 'I want to attend a marriage party; I have to go; I have fixed up a meeting I want to address'. All these are very embarrassing. All that I can say is that I am trying to give as much latitude to the hon. Members as possible, not preventing any hon. Member from expressing his views.

Today it is impossible for me physically to apportion the time amongst the 13 or 14 Members, every one of whom will, I am sure, be contributing something to the debate.

Shri Naushir Bharucha will conclude in 3 minutes; he has already taken 27 minutes.

Shri Naushir Bharucha (East Khandesh): I will conclude in 5 or 7 minutes.

Dr. Samantsinhar (Bhubaneshwar): Mr. Speaker, Sir, has any Member actually said that he wants to go to the cinema and, therefore, time should be adjusted accordingly?

Mr. Speaker: No; something like that.

Shri S. M. Banerjee (Kanpur): The newspapers such as *Statesman* should not write editorials on us; they have already written several editorials.

Mr. Speaker: A man must be devoid of all sense of humour if he takes up every small matter that appears here and then writes editorials upon it. Of course, they may be lighter matters but they may be important from their point of view. It is not important

[Mr. Speaker]

from our point of view. That is all. It is not exactly the cinema but something akin to that. If any newspaper takes it up and writes editorials you ignore them.

Shri Braj Raj Singh (Firozabad): We should not be too sensitive.

Shri Naushir Bharucha: Yesterday, as the House rose, I was speaking on clause 154 dealing with the jurisdiction of the Advisory Commission. The Joint Committee struck a happy *via media* in laying down that if the complaints are of a character which are frivolous they would first be examined by the Government and not placed before them. It has also been provided in the report that the Government may pass an interim order but before passing the final order they would consult the Advisory Commission. I would suggest that, perhaps by way of administrative practice, it may be laid down that even where the complaint has been treated as frivolous by the Government, if any member of the commission calls for that complaint, such a complaint should be submitted to that body for its reference.

Since you have restricted my time, I shall conclude by making a reference to company contribution to political parties. Much has been said here about this and may I remind the hon. Members of what the hon. Judges said when the Tata Iron and Steel Company Ltd. applied to the court for an amendment of the memorandum of association:

> "Democracy in this country is nascent and it is necessary that democracy should be looked after, attended and nurtured so that it should rise to its full and proper stature. Therefore, any proposal or suggestion which is likely to strangle democracy, almost in its cradle must be looked at not only with a considerable hesitation, but a great deal of suspicion....The discussion and debate must be conducted honestly and objectively and the decisions must be arrived at on merits without being influenced or actuated by extraneous circumstances."

He goes on:

> "The least that Parliament can do is at least to require the sanction of the Court before any large amount is paid by the companies to the fund of political parties. But it is not for us to legislate nor is it for us to lay down policy.
>
> "But having had this case before us and our attention having been drawn to the possibilities of the evils attendant on the powers exercised by the companies, we thought it our duty to draw the attention of the Parliament to the necessity of remedial measures being immediately undertaken to curb and control this evil."

Without abandoning our objection to the fundamental aspect of it namely, that company contributions should not be made to political parties, we feel that the least that the Government can do is to incorporate in the Companies Act an obligation on the companies to publish at least in two local newspapers the fact of any company having made such a contribution, apart from its appearing in the balance-sheet. If necessary, I would suggest the further safeguard that the sanction of the court should be taken before a company makes a political contribution. Government must not collect any amounts from the companies; like Caesar's wife, it must be above suspicion. If Government pockets corporate finance today, I have no doubt that corporate will finance pocket the Government tomorrow.

By and large the Joint Committee has done well in removing the numerous malpractices that were found and to which attention had been drawn by several hon. Members in this House. It is not possible to satisfy either the private sector completely or the parties on this or that side of the

House. With a little bit of experience of the working of the Act and a little bit of tact on the part of the company administration, the Act can be made to work well in the interest of corporate undertakings.

Shri Morarka (Jhunjhunu): Sir, this Bill is of great importance as it seeks to control the working of more than 30,000 companies in the private sector, with more than a thousand crores of rupees and with billions of shareholders. I was a little surprised yesterday that there was very little interest shown in this Bill. Even those hon. Members who took part in the debate concentrated more on a comparatively less important clause.

Shri Prabhat Kar (Hooghly): You yourself were absent?

Shri Morarka: I was present throughout. You could not notice me because you were not here.

Shri Prabhat Kar: I was here.

Mr. Speaker: Both were present; one need not see the other.

Shri Morarka: This company form of organisation has stood the test of time and is even now considered to be the best form of business management. It has not only been accepted by the capitalist countries; but even socialist countries have adopted this form of organisation as the most convenient method of managing their public undertakings. It is, therefore, natural that the public should be concerned more and more with the instrument that regulates and controls the management and functioning of these corporations. We should not forget that after all the very joint stock form of organisation is essentially based on democratic principles—that is, the rule of the majority. There should, of course, be enough representation for the minority and its rights should be protected. But there is no gainsaying the fact that the right of decision in this form of organisation essentially belongs to the majority.

It is the policy of our Government that every form of co-operative organisation must be given the fullest encouragement. I would beg of the House to consider the difference between co-operative form of organisation—that is, the cooperative society—and the joint stock company. To my mind, there are two main and fundamental differences. One is that in a co-operative society, every member has one vote irrespective of the number of shares that he may hold. In a joint stock company, a person has the right to as many votes as the shares he holds. So one can say that a co-operative form of organisation is more democratic than the company form of management. But, Sir, in this case, we should not forget that under many statutes such as the Banking Companies Act and Insurance Companies Act, and also even under the Companies Act, the Government has taken powers not only to regulate the voting rights but even to deprive the shareholders completely of the voting rights under certain circumstances. If the Government feels that the management of a company is changing hands and that such a change is not in the interest of the public or of the shareholders of that company, the Government can put a check, an embargo for a certain number of years on the shares and the Government can regulate the voting to be exercised in a particular way. The Government can even completely prohibit the holders of those shares from exercising any vote whatsoever.

A second difference between a co-operative society and a joint stock company, to my mind, is that co-operative societies cannot declare more than 6 per cent. dividend in any year whereas there is no such limitation on a joint stock company. This leads people to believe that joint stock companies are essentially promoted only for profits whereas co-operative societies have within them an element of service—service to themselves.

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Here again, in the case of many joint stock companies who do not declare a dividend of more than 6 per cent. they are not only compelled by law to declare by way of dividend the entire hundred per cent. of their profits but if they do not declare so in law, they are deemed to have declared dividend on that basis and the shareholders of those companies are made to pay tax on the dividend which the company is deemed to have declared. Sir, my point is very short, that while in a co-operative society you build reserves and the reserves would still belong to the shareholders of the co-operative society, in a joint stock company if you do such a thing the law would compel you to distribute those profits and on those profits tax would be collected. Therefore, my submission is, when it is the Government's policy to encourage co-operative societies I do not see any reason whatsoever why there should be any apprehension in any quarter that the Government does not want to encourage equally the formation of joint stock companies.

Now, as regards the principle of democracy and autonomy about which the hon. Member, Shri Masani, spoke yesterday, I agree that up to a certain limit there should be full autonomy. The right of management of a company, i.e., management of its affairs and the management of its business etc. must belong to the majority group. Even now it is so. Even now after all these restrictions the essential principles of that democratic form are preserved. But Government's intervention becomes necessary for two reasons: firstly, to safeguard the rights or such rights as the minority has, and, secondly, to safeguard the revenues of the State. Sir, in no country in the world wherever there is a joint stock enterprise, the joint stock enterprise is left free or uncontrolled by Government. It is only a question of degree. In some countries, the control is more, more detailed, and in other countries it is less. That degree of control depends essentially on the conditions obtaining in a particular country, the experience that the Government there has gained, etc. If the Government's experience dictates that a more detailed control is necessary, then, according to me, that Government is fully justified in asking for those powers.

Now, it is true that when you legislate for the joint stock companies in this country you cannot forget that there are other statutes to take care of certain other maladies. For example, you have got the Contract Act. If there is any breach of contract between one company and another, or between one individual and another, there is the Contract Act and there are the courts to take care of them. If, on the other hand, there is fraud, misappropriation or any such thing, then we have the Penal Code. We cannot under any circumstances take care of all the contingencies and provide everything in the Company Law. We have always to bear in mind that in this country, there are other statutes, there are other laws and any aggrieved citizen can go before a court and ask for equity.

As I argued previously on the floor of this House, and I repeat the same today, the main duty of the Government is to protect the rights of the minority. But, Sir, with that, the Government has also a duty to protect the contractual rights of the management. The Government cannot do one and ignore the other. Just as the Government has to protect the rights of minority shareholders from the oppressions of the majority management, similarly, the Government has to protect the management from the attacks of the "proxy pirates" or from, a class which is fast coming up in this country, the class of blackmailers. As our joint-stock enterprise grows and as the national economy develops, we are bound to have more and more such companies, more and more capital of this corporate nature. The concomitant result is that some professional shareholders who do not have any interest of the company or of the brother shareholders at heart simply make a nuisance value of themselves

and in order to extract some money from the management they organise themselves, collect the proxies and hold the management at ransom. This is what I call the "proxy pirates". In America, this malady is very widespread. Fortunately, in this country, we have not got many such instances and we do not have many such persons belonging to that class. But we are fast developing and it is just as well, when the Government is taking so many powers, that the Government takes some powers to protect the management against such contingencies.

Sir, I do not agree with those who say that the management of every company or every business firm or every industrial house is bad. By and large, there are honest people in management, in business and in industry as there are in every other walk of life—among doctors, among lawyers, among politicians and so on. Therefore, it is no use tarring everybody with the same brush. So, I submit that while you have through this Bill, taken powers to protect the minority shareholders or what you have described as public interest, you have not taken enough powers to protect the rights of the management.

Here I must say a word about the Company Law Administration. Yesterday, the hon. Member, Shri Masani, expressed an apprehension that the powers given to the bureaucracy are such that it is almost "bureaucracy run amuck". And, particularly, when he was arguing about the special audit his apprehension was that a Deputy Secretary of the Government of India would exercise that power—a subjective test—and there is every possibility of such power being abused. It is true that that power is a subjective power, but I would like to ask from the hon. Member whether it is not a fact that even under the existing Act there are so many powers which are of a subjective nature given to this very department and that this department has been exercising those powers for a number of years now? Sir, may I ask my hon. friend whether he can give a single instance where this department has abused those powers? If there is not a single instance that he can give, then I would submit that the department though it has been given wide powers it has exercised those powers with great care and circumspection.

Shri M. R. Masani (Ranchi-East): I had said we were legislating for the future as well as for the present.

Shri Morarka: There is no reason for my hon. friend to feel that the future would be more dim than the present. There is no reason to believe that the next set of people, either officers or ministers, who come would be less conscious of the public duties than what our people today are. As you have yourself said that our democracy is only an infant, when we grow and our democracy becomes stronger and stronger we would have more and more capable people for discharging these public duties.

I would briefly mention the rights of the shareholders, which I think the Government must protect in every contingency. I would describe those rights under three heads. First is the *right of control and management.* Under that, the shareholder has a right to vote for the appointment or removal of directors. He has the right to vote for the alterations of the memorandum and articles, i.e., the very charter of the company itself. This is what I call the right of control and management.

I would call the second set of rights as *proprietary rights.* Under that, the first right of a shareholder is to get himself registered as a shareholder, as a member of the company. When he sells the shares, the right of the purchaser is recognised. Then, he has the right to receive dividend and the right to participate in the distribution of assets when the company is dissolved. Then he has the right of immunity from personal liability. Under the joint-stock enterprise, the main

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principle is that the liability of a member is limited, and that is one of the proprietary rights of a shareholder.

Finally, I would call the third set of rights as remedial rights. Under that, he has the right of information and inspection, the right to bring in the court action in representative or derivative suits and thirdly the right to go before common law for equity. These are the basic and acording to me fundamental rights of a shareholder. The Government must legislate in whatever way they like to protect these rights. That is all and no more, so far as the shareholders are concerned. You can take care of the workers and the consumers either under this law if you can or under separate laws like the Industrial Disputes Act, the Workmen's Compensation Act, the Minimum Wages Act, etc. After having legislated for the fundamentals, the actual details of working must be left to the management itself. Shri Bharucha yesterday pointed out that while the maximum managerial remuneration has been prescribed, there was a company recently floated in Bombay and the promotionary expenditure in that company was more than Rs. 15 lakhs.

Shri Naushir Bharucha: Not the promotionary expenditure; the promoter's remuneration was Rs. 15 lakhs.

Shri Morarka: Yes. His grievance was there is no provision in the law against such a contingency. I entirely agree with him. I see no justification at all for such a thing. You are legislating for such minor details as to how much should be given to a manager, but at the same time you are leaving it completely blank as to how much a promoter of a company should get.

Similarly I can give you another instance. You have made very detailed and rigorous provisions for the managing agency system. Yet, there is no provision in the company law, not even in this amending Bill, to cover a case where two companies choose to become partner of one another, one company undertaking to supply the capital and the other company undertaking to perform the duties of management as a working partner. They can so draft the partnership agreement as to be completely free from the clutches of this law. Yet, the very fundamentals of the managing agency system can be embodied in such a partnership agreement. What I wish to say is, we get lost in the details and we loose the over-all picture.

Instead of legislating in minor details, we should concentrate more on the over-all policy and legislate to prevent certain maladies which are of a common nature. You cannot take an instance from here and another from there and provide against it. After all there are 30,000 companies. There are all sorts of people and all sorts of directors. If some indulge in certain malpractices, in order to prevent that, you cannot legislate and put an embargo or handicap on all the companies. That is my humble submission.

Now coming to the specific clause, I wanted to go in a serial order in regard to the clauses on which I wished to speak, but since the House has given great importance to clause 98 which deals with contributions to political parties, I propose to take that clause first. I know I am going to be a very unpopular person to speak in favour of that clause, because as I heard the speech of many hon. Members from that side as well as from this, I found a great majority of opinion against contribution of corporate funds to political parties. With great respect, I wish to submit that the entire criticism made yesterday emerges from an misunderstanding. At least, that is the impression given to this House. (*Interruption*). If Shri Ranga will hold himself in patience, I am going to quote his leader, Rajaji.

Shri Ranga (Tenali) I hope you would behave as he does.

Shri Morarka: I am not as capable as Rajaji to behave like him, but I will certainly try to quote him. An impression is given to the House as if the Government is making a provision asking the corporations to make contributions to political parties.

Shri Bimal Ghose (Barrackpore): Indirectly yes.

Shri Morarka: If he kindly bears with me for five minutes, I would venture to point out how his 'yes' is completely misconceived. Before 1956, when we enacted the Companies Act, there were no restrictions on the powers of the directors at all so far as contributions to any political party, charitable fund or for that matter anybody was concerned. The directors themselves could make any contribution they liked without reference to the shareholders. In 1956 for the first time, Shri C. D. Deshmukh, the then Finance Minister, thought, on the basis of the Bhabha Committee Report, that some restriction should be imposed on the powers of directors and accordingly some were imposed. One of the restrictions imposed was that you cannot make a contribution to either a charitable institution or to anybody else beyond a certain limit, which was Rs. 25,000 or 5 per cent. Before that amendment, mind you, there was no limit at all. This is the first time that a limit was imposed. And what was the limit? Again, it was only a question of the rights between the directors and the shareholders. The limit was that a director cannot make a contribution without getting the permission of the shareholders, but with the permission of the shareholders the directors could do anything they liked. Even after 1956 there was no restriction at all. Thereafter, again and again the question has been raised that these contributions should be completely prohibited.

The hon. Member, Shri Masani gave some arguments yesterday. In his Minute of Dissent also he has elaborated those points. His first argument was that people who make these contributions generally do it on the basis of *quid pro quo*, they expect something in return. Now two elections have been fought and during the two elections, according to them, a lot of contributions have been made to the ruling party. Now I would have expected at least one of those who valiantly opposed this provision to point out at least one or two instances where this *quid pro quo*, has been exercised. Not only this. I go a step further. I would ask him to point out a single instance where, because a person has not contributed, he has suffered at the hands of the Government.

Shri Bimal Ghose: How can we prove it?

Shri Morarka: It is quite easy for the hon. Members to say here that people give money because of some considerations shown to them.

Shri S. M. Banerjee: Mundhra said so.

Shri Morarka: My hon. friend says "Mundhra said so". I hope he knows what consideration has been shown to Mundhra. Then some other hon. Member says Jain has done so. We all know what leniency or consideration has been shown to Jain. I request hon. Members to give one example where because of these contributions to the Congress Party funds, that party has shown some consideration to that company. If they cannot mention any such example, whatever their other arguments may be, so far as this particular proposition is concerned, this argument of *quid pro quo* has no legs to stand on.

Shri Ranga: You are arguing in a circle.

The Minister of Commerce (Shri Kanungo): Please mention cases.

Acharya Kripalani (Sitamarhi): Why do the Congress people want it?

Shri Morarka: If you will kindly bear with me for a few minutes I will certainly tell you why they want it and what they do with it.

Yesterday, the hon. Member, Shri Masani, gave the examples of UK and USA. So far as UK is concerned,, he himself admitted, there is no embargo on any corporate body giving or making any contribution that they like to political parties. So far as USA is concerned, there is again no provision at all in any of the company laws there. There company law is a State subject and not a Central subject. So, all the 50 States in the USA have got their own separate laws and not even in one single law of those 50 States is there provision of the nature which Shri Masani wants to be introduced here.

There is, of course, provision in their election law in America on this. But that provision is not only against corporations. That provision is applicable to individuals, to firms, to trusts, to co-operatives and to corporate bodies. Why does he want it now for companies alone and not for others?

Acharya Kripalani: Have it for everybody.

Shri Morarka: If he wants it for everybody, certainly this is not the place to make it. Let him move an amendment to the election law and let it be considered at the appropriate time. (*Interruptions*).

Mr. Speaker What is this running commentary. Some hon. Members had their say. Now this hon. Member is trying to show the exact position in the United States. Hon. Members must put up with that.

Shri Nath Pai (Rajapur): It is very provocative.

Mr. Speaker: I do not know from which quarter it comes.

Shri Bimal Ghose: May I submit one thing? When we refer to corruption among Government officers, they say "give examples". Could we give examples now?

Mr. Speaker: I suppose the hon. Member is not new to this House. There is a method of doing it. Suppose an hon. Member says "I challenge so and so", should that hon. Member immediately go and challenge him and corner him? Let him wait for his turn, when he will get an opportunity. If he does not get an opportunity, let him brief some other hon. Member who will have an opportunity to speak. Now Shri Morarka.

Shri Morarka: I hope you will give me a few more minutes because I have some more points.

Another point made by Shri Masani was that these contributions are not of a voluntary nature. I want to know from him the examples of at least one or two persons who have been forced to give and when they did not give, what penalties were imposed on them? It is all right to use these slogans which are easily swallowed by public, but at least we speak in Parliament we must treat the audience with a little more consideration and we must give facts and figures if we want to bring a point home and want to convince others.

Then another hon. Member referred to keeping politics clean. I do not know what is required to keep our politics clean. Our politics has certainly not been made dirty by the contributions received or by winning the elections by the Congress. Shri Masani wants these contributions to be stopped. He says in his minute of dissent "our democracy is a nascent democracy".

Shri Surendranath Dwivedy (Kendrapara): Shri Justice Chagla has also said that.

Shri Morarka: Our democracy is 13 years' old and when these contributions were made it was only one or two years' old. If for ten years this nascent democracy cannot be harmed by this....

Shri M. R. Masani: It has been harmed.

Shri Morarka: Then it is likely to be less harmed now than before. (*Interruptions*).

Mr. Speaker: Order, order. Shall I immediately put to vote the amendment of Shri Masani? Why would hon. Members be impatient? They do not hear the other side. It is rather strange.

Shri Harish Chandra Mathur (Pali): They are very nervous.

Shri Morarka: The final point of Shri Masani was that the funds of the corporations are utilized for a purpose for which they were not meant. This is purely a legal point. If the memorandum or the articles of a company do not authorise the giving away of this fund, no director or shareholder can give this. Also, there is the remedy of going to a court of law. As a matter of fact, Shri Masani knows, that because some of the companies did not authorise the contributions, they had to go to courts of law and they had to get a judicial judgment, which judgment is so generously quoted by the other side in this House. Therefore, to say that the funds are being utilized for a purpose for which they were not intended is not quite correct. Before the funds are utilized, a full authorisation that these funds are utilized for that purpose is secured not only a special resolution passed by 75 per cent majority but is approved by a court of law in that State.

Now, much has been said about the special audit. Here again, it has been stated that too much power is being taken or given to the bureaucracy. I have already said that the bureaucracy has been very careful in exercising such subjective powers as it has. Unless there is a case in point, one should not have such apprehensions. The reason why I am in favour of giving the subjective power to the bureaucracy is this. If you make this power justiciable, the Government would never be able to order special audit. Because, the moment the Government wants to order special audit, the courts of law are there, the matter will go to the High Court and in appeal to the Supreme Court, by which time, if there is mismanagement, anything may happen with the company. Therefore, I feel that this power has to be by its very nature subjective and one cannot find fault with that.

13 hrs.

The reason why the special audit provision is introduced is this. Government has already got the power of investigation. That power of investigation is a very drastic power. The Government can do it today under the existing law. The Government can do it *suo moto*, the Government can do it under the orders of the court, the Government can do it if the shareholders pass a resolution. It was argued before the Government, when you order investigation, the company loses its reputation and even if the result of the investigation is in favour of the company, still, damage is done. I think this special audit is a good *via media*. Instead of going to the extreme remedy of ordering investigation, you have only a special audit. The Auditor's report would come to the Government. The Government would examine it. If the Government finds that there was nothing wrong and no action in a criminal court is necessary, the Government would send either a copy of the report or extracts from that report to the company concerned and the company can circulate it amongst the shareholders. If it is found that there are certain things disclosed by the special audit which require action, it is just as well that this report is not sent to the management before action is taken. Otherwise, there is every possibility that the evidence may be tampered with. These points were discussed at length in the Joint Committee and after due consideration, this provision was, at the request of

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the Members, accepted by the Government.

Yesterday, Shri H. N. Mukerjee said much about private company and public company. He thought that the Joint Committee had given a lot of latitude to the private company and that the principles enunciated in the Bill as it went to the Joint Committee, have been changed. I have to remind Shri H. N. Mukerjee of one basic principle. The Shastri Committee also had enunciated that principle. The principle is that any private company in which public funds are involved, should be treated as a public company. The Joint Committee has not at all tampered with that principle. That principle has been kept intact. If a private company in which public funds are not involved, invests in another private company within the same family the membership of which does not exceed 50, etc., there is no reason why that company should be treated as a public company. That was the view canvassed before the Joint Committee by many of the Associations and many persons and the Joint Committee, according to me, with great respect to the Joint Committee, has rightly accepted it. The Shastri Committee's only principle was that if public money is involved, then the affairs of that company must be exposed to the public. If public money is not involved, the affairs of that company need not be exposed.

In this connection, Shri H. N. Mukerjee would do well to remember that we are also making provision under which every private company would be required to submit its accounts and file its accounts with the Registrar: not only the balance sheet, but even the profit and loss account. Shri Asoka Mehta said about depreciation. He said that the salutary principle of depreciation is being given a go by, and why should depreciation be eaten into merely to facilitate payment of dividend. Again, this is based on some misunderstanding. What the Committee has done is this. Depreciation should be fully provided either according to provisions acceptable to the Income-tax department, or according to any other suitable method acceptable to the Central Government. Before paying dividend out of the profits of this year or out of the accumulated profits of the previous years, the Government would see that depreciation is provided on one of the bases. The principle of depreciation is that you should not allow the capital of a company to be depreciated by making payment of dividend. Unless you make full provision for depreciation, the capital would be depreciated. After full provision for depreciation is made according to the real life of an asset, whether you accept this method or that method or the Income-tax method, it does not make any difference.

The main point which I thought some of the hon. Members at least would make a mention, which according to me is a very fundamental point, which goes a long way to safeguard the interests of the shareholders, is that the Joint Committee has provided, for the first time, that if a company issues new additional shares, the additional new shares will be allotted to the existing shareholders *pro rata*. If any deviation is to be made, a special resolution would be necessary. Without passing a special resolution or without the permission of the Government, the directors cannot allot shares to anybody else except the existing shareholders. This, according to me, is a very fundamental right, and the Government and the Joint Committee have done well in accepting this principle and providing for it.

Acharya Kripalani: The opposition have not opposed it.

Shri Morarka: I want to say a word about sole selling agency, because much was made of it yesterday.

Again, I think, Shri M. R. Masani misread what the Joint Committee has done. His apprehension was that after the Bill is passed, the Government would appoint so and so as selling agent and the State Trading Corporation, through this backdoor, would become the selling agent of many companies. That is not so. All that this provision says in that the Central Government would have the power to call for the selling agency agreements and if the Central Government feels that the terms and conditions of appointment of those selling agents are not equitable or are onerous or are not in the interests of the public, the Government would direct and the agreement would be amended accordingly. The Government has not taken upon itself the duty to enter into any agreement with any body as selling agent or to name any person.

Shri M. R. Masani: It has a veto.

Shri Morarka: The Government has not taken the power even to veto so far as the person is concerned. The Government is concerned only to examine the terms and conditions. Therefore, I do not know how my hon. friend Shri M. R. Masani, who is usually very precise in his criticism, failed to appreciate this point. So far as selling agency rights are concerned, they can only say whether the terms and conditions are proper or not.

Shri M. R. Masani: That is a veto on the terms and conditions.

Shri Morarka: On the terms and conditions.

Shri M. R. Masani: That's right.

Shri Morarka: Not A, B or C.

Shri M. R. Masani: Through that veto, the hon. Member will appreciate the choice of the person can be influenced.

Shri Morarka: There is no veto. Only if the terms and conditions are onerous, they may say that the terms and conditions should be altered. That is all: nothing more. Certainly the question of the State Trading Corporation coming through the backdoor is a little more than one can see in this.

Inter-Company investment is another important matter covered by a clause which has been added. This is my final point and after that I will sit down. The Joint Committee has gone a step further in tightening this inter-corporate investment. People have argued for reduction in inequalities of income, reduction in the concentration of wealth, etc. One of the arguments that these people have given often is that one company invests in another and the other one in a third one and thus a pyramid is built with the result that a person with a very small capital of his own, controls vast economic and financial resources of the country. The Joint Committee has enunciated a principle. That principle is that hereafter no company can invest in any other company or all other companies put together more than 30 per cent. of its subscribed capital. If a company has a subscribed and paid-up capital of Rs. 1 crore, today, there is no limitation at all and it can invest not only Rs. 1 crore, but more than Rs. 1 crore in other companies. But, hereafter, it has been provided that a company with a paid-up capital of Rs. 1 crore would not be able to invest in any other company or all other companies put together more than Rs. 30 lakhs. There is another restriction that no the extent of more than 10 per cent. in the capital of another company. If a new company is floated, an existing company cannot buy shares to the extent of more than 10 per cent. of the other company. There is a third restriction which was already there I must say, and that is that a company cannot invest in a group of companies under the same management to the extent of more than 20 per cent. of its paid-up capital.

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These restrictions may, in the initial stages, prove irksome in certain individual cases, but in the long run they might achieve the purpose that the Government has in view, *viz.*, discouraging the concentration of wealth or the pyramiding of the joint stock enterprise or similar anomalies.

I am grateful to you, Sir, for giving me this much latitude, and I wish to conclude by saying that while there are still some defects in joint stock enterprise in the country, the steps that Government has taken are certainly in the right direction. When the 1956 Bill was passed, people expressed the apprehension that joint stock enterprise would be killed, that it would not be able to function any more. The actual evidence is that, if anything, there has been health and vitality given to joint stock enterprise and that it is prospering more and more.

There is another misgiving which must be removed that ours is the only country where joint stock enterprise has suffered from such maladies. If one turns to the history of joint stock enterprise in America, the maladies, the mismanagement, the frauds etc., which were perpetrated there, one will find that they were much more compared to what we find here. So, while everything should be done, every possible step should be taken to protect and safeguard the rights of the minority shareholders and the management, there is no reason at all to be panicky about the functioning of our joint stock enterprise.

Shri C. R. Pattabhi Raman (Kumbakonam): At the outset, I wish to pay a tribute to the Joint Committee which has been able to produce a comprehensive and valuable report, which is likely to be quoted in future not only in courts of law but also elsewhere.

The criticism that the Joint Committee have gone out of the terms of reference does not have much force. When the earlier Companies Bill of 1956 was on the tapis, many far-reaching changes were made before it became an Act. That seems to have been forgotten. Much will depend upon the human element involved in the administration of company law. The officers concerned with the administration will have to take timely and judicious action whenever necessary.

One of the main problems before the Joint Committee was the see-sawing of companies in their status of public and private companies. Where the entire paid-up capital of a private company is held by another private company or by one or more foreign companies, whether public or private, it is a private company. Where the entire paid-up capital of a private company is held by a public company, it is a public company. Where less than 25 per cent. of the paid-up capital is held by other bodies corporate, that is public or private companies, Indian or foreign, it is a private company. Where less than 25 per cent. of the paid-up capital of a private company is held by one or more private companies whether Indian or foreign, the former is a private company provided no body corporate is the shareholder in any of the shareholding companies and the total number of members of the former and the shareholding companies does not exceed 50. This is briefly the position so far as private companies are concerned. We now find that some of these companies can be deemed, as Shri Bharucha mentioned, to be public companies, and under section 43 (a) a new provision is made for that purpose.

So far as definitions are concerned, the Committee has had a very difficult task, and so far as certain words are concerned, they have been worrying me also. For example, it is not easy to define precisely who an associate of a managing agent is; nor is it possible to define precisely the term

"Managing Director". What, for example, will amount to substantial powers of management? A person does not become a managing director simply because he is paid a monthly salary. It has to be noted that sections 292 and 293 indicate the scope of the powers of a managing director. Unless a director is vested with the powers of making calls, issuing debtentures, investing the funds of the company, selling or leasing undertakings when the company is in loss and remitting debts he is neither in law nor in fact a managing director. Incidentally, if the entire capital of an Indian private company is held by one or more foreign public companies, according to the Report, the former is a subsidiary of a public company. What happens to the holding of the entire capital by foreign individuals and associations? This seems to be pretty well in doubt, and it is worth while considering it.

In respect of the issue of new shares, we have to bear in mind that the Sastri Committee, at page 41, lines 1 to 9, have suggested that the sections should be made applicable when issued capital is fully subscribed and the subscribed capital has been increased by the issue of new shares. There is not much charm in the words "special resolution". It has to be remembered that five members can form a quorum in a public company and when four of them vote for a resolution, it becomes a special resolution, and these four members deprive the enquity shareholders of their rights. It may perhaps be better to say that 30 per cent. of the total voting power is necessary for the purpose.

Incidentally, in so far as duplicate share certificates are concerned, the Committee has increased the penalty for issuing fraudulent share certificates. The fine has been increased to Rs. 10,000 from Rs. 1,000 and the negligent officer may have to face simple imprisonment. In respect of these duplicate share certificates, there must be a limit placed on the charges for advertising the loss in the newspapers. For example, a middle class shareholder may not be able to afford the advertisement charges if his total holdings are small.

Substantial alterations have been suggested in respect of the payment of dividends. There is a margin for the calculation of depreciation. Premium on the issue of shares is now capital. But the position is not clear as to premium on shares issued before the commencement of the Companies Act, 1956, which does not form an identifiable part of the company's reserves, which according to section 78(3) proviso is not capital. The inference is that dividend can be declared out of such premium.

In Palmer's *Company Precedents*, 17th Edition, pages 604-605, the following are profits:

(a) Acretions to capital realised; and though not realised immediately, realisable and though not realised immediately, realisable and proved to exist.

(b) Profits carried to reserve.

(c) Profit resulting from the payment off by the company of its debentures at less than par.

The following are not profits:

(a) Goodwill.

(b) Where a company purchases the business of another company including the profits of that company available for dividend all such sums become capital in the hands of the purchasing company and cannot be distributed as dividend.

[Shri C. R. Pathabhi Raman]

13.18 hrs.

[SHRI MULCHAND DUBE *in the Chair*]

I am glad that the Committee has rightly deleted the provision in the Bill that the dividend amount must be deposited in a scheduled bank within fourteen days of its declaration.

I now come to the balance-sheet. The balance-sheet of a private compan can be inspected by non-members, but not the profit and loss account; that can only be inspected by the members. It is a welcome recommendation. They are two documents, they may be filed separately with the Registrar.

Regarding the new provision with regard to special audit, the position briefly is this. The new Clause 70 seeks to have a new section 233(a). According to that, if the Government is satisfied that the management of the company is not according to business principles or prudent commercial practice or is likely to damage a particular industry and the financial position of the company, the Government can appoint a chartered accountant to conduct a special audit. Any person refusing to furnish information can be fined, and the expenses of the audit can be recovered from the company as an arrear of land revenue. There may be some force in the contention that the report of the special audit and the decision of Government to order a special audit are *ex-parte*, and the company is not allowed to make its own representation with regard to it. This may run counter to the principles of natural justice. The House of Lords in the United Kingdom in the famous *Liversidge case* (1942 *appeal cases*: 206) have laid down that the satisfaction of the Government must be objective and can be scrutinised by the courts. It has to be borne in mind that there are wide provisions of special enactments such as the Banking Companies Act, the Insurance Act and so many other enactments. Under the Banking Companies Act, the Government after inspection by the Reserve Bank may direct the Reserve Bank to apply for a winding up or it may prohibit the banking company from receiving fresh deposits. Under the Insurance Act, the Controller can cancel the registration of an insurance company if it acts contrary to the rules etc. These are all powers given to Government without their having to go through the course of special audit. Incidentally, these special enactments override the provisions of the general Companies Act. There is a famous dictum:

"Generalis specialibus non derogant",

namely that a general act cannot run counter to special enactments dealing with special situations.

It migh be suggested that in the Italian company law, they have a special register of auditors, and according to that law, if there are three auditors of a company, one of them must be from the special register, and if there are five auditors, two of them must be from the special register. Government have a special register of auditors, and they insist on one of their special registered auditors to be on the company audit for audit purposes. A similar thing might be possible here, and I would appeal to Government to consider this aspect of the matter so that, if necessary, new section 233A may be re-set with regard to special audit.

It must be noted that the Jenkins Committee of the United Kingdom is even today dealing with these provisions in the English Companies Act; and all these aspects are under examination by them.

There has been a persistent complaint—and I am glad reference has been made to it on both sides of the House—with regard to the restrictions on the managing agency system being got round by certain corporations through the appointment of sole selling agents. We are having, therefore, clause 99 which amends section 294 of the parent Act. There is no ground

for the fear expressed in some quarters that since the provisions with regard to sole selling agents do not apply to foreign companies, they may appoint sole selling agents and thus capture the Indian markets. I think it is rather far-fetched. I do not think there is much substance in that. Government have got enough powers in their hands to prevent this kind of thing happening.

In so far as legal proceedings are concerned, I find that there is a decision of the Bombay High Court which holds that section 633 (2) applies to criminal proceedings. I am sure the Department is aware of it. The new proviso that the court should not have power to grant relief from any civil liability which may attach to an officer in respect of default etc. does not make the meaning very clear. I suggest that this aspect of the matter might be reconsidered.

With your leave, I shall now deal with one or two general points which have been made, especially by my good friend Shri M. R. Masani. I have the honour to come from the same school from which he has come, and where he was my senior, namely the London School of Economics. But I want to tell him that so far as accountants are concerned, we have got the Institute of Chartered Accountants and their council who can haul up accountants committing any misdemeanour or any mistakes, and punish them, and if necessary, suspend them and remove them from the list of chartered accountants. So far as advocates are concerned, we have got the Bar Council which comes down heavily upon advocates who fail to furnish accounts or who do anything derogatory to the dignity of their profession. Similarly, in the case of doctors, we have got the Medical Council which deals severely with doctors who are given to unprofessional practices. But, so far as businessmen are concerned, the tragedy is that there are no qualifications laid down. What has a businessman got to go through either academically or technically? It is a tragedy that there is no qualification at all, so far as a businessman is concerned. Therefore, what happens is that the Chambers of Commerce have been trying to function in this regard very feebly. I am glad that some of these forums are insisting on a code of business conduct. But that is not enough. One black sheep among businessmen is likely to let down a number of businessmen. Therefore, it is necessary that some sort of control has to be there on businessmen.

Having said that, I wish to acknowledge that so far as the younger businessmen are concerned, they have done very well, and I wish to pay a tribute to them. The present class of businessmen, the younger businessmen, are developing very well. I would say that as a rule, it is so, and most of them are fairly well educated, and they go abroad and get some sort of training or other, and they see to it that business flourishes for a long time to come, and they are aware that it can flourish only on the goodwill and good reputation that they have and the integrity that they possess. That is a good sign. I hope we shall have more and more of these younger men who will keep up to the best standards, so far as business principles are concerned.

Lastly, I now come to payments to political parties. I find that a good lot of hammering has been going on so far as this aspect of the matter is concerned. I wish only to deal with certain legal aspects of it and finally permit myself with your leave to make some general observations.

As has been pointed out correctly, in the United Kingdom, there is provision for donation to the political parties. In America, it is modified; it is not the same, but it is not completely restrictive either. So far as India is concerned, in the past, there was no control at all. And Shri Morarka has already pointed out what happened before 1956. What is now being done is that a statutory provision is being made, fixing ceilings for donations by companies to political parties. This just shows that if any contribution is made,

[Shri C. R. Pattabhi Raman]

it is not a hole-and-corner affair or an attempt to conceal anything.

So far as the Congress Party to which I have got the honour to belong is concerned, I can tell you that there is no such attempt to conceal anything. Whether it be a district body or a State body, you can always examine the accounts; and you can know the assets and the expenditure. In many cases where these bodies are holding exhibitions and other *tamashas*, they may come into conflict with the commercial tax officers; and there are sometimes troubles with the corporations. That does not mean that the Government in power, namely the Congress Government, go to their help immediately and see to it that the general law is set at nought and that concessions are shown to the Congress bodies; not at all. It is a clean above-the-board affair, and it is on those lines that a provision is being made here. And why do you deny that a number of industrialists are Congressmen? In fact, most of the people who are sitting on the opposite side were once very eminent Congressmen, and who earned the greatest regard so far as national struggle and national service are concerned. There are many businessmen who are Congressmen, and who may want power to help their own party and give contributions to them, and who may also like to prevent other parties, who, according to them, may damage the country if they come into power.

Therefore, what is wrong if something clean and above board is being done, and statutory permission is given to make such contributions? After all, it is not a hole-and-corner affair, and, therefore, there is nothing to be ashamed of.

I am very glad that tributes have been paid from all sections of the House to the Commerce and Industry Minister, which only shows that a good and clean man is respected everywhere at all times. And I am very proud to belong to the party in which he is a leader. As I said in the very beginning, it is just possible that on some occasion, there may be slips, but they will be brought to light immediately. So long as you have a party which tries its very best to be clean and above board, why should you object? Of course, it may fail; there may be failures on the part of individuals of the party. But why should you paint the entire party with tar, because of that?

Shri Braj Raj Singh: The entire party is failing.

Shri C. R. Pattabhi Raman: Maybe; it is a matter of opinion. You will never catch me saying anything about your party. I have been so brought up that I am not going to condemn you *in toto*. There are excellent people amongst you. I am sure I can trust many of you. I have no doubt that there are excellent people amongst us too. Therefore, please be charitable. I am not saying this simply because there is a provision . . .

Shri Braj Raj Singh: Let me clarify myself. I did not mean any criticism of the people. I only criticised the policy of the party.

Shri C. R. Pattabhi Raman: Shri M. R. Masani was again and again saying, they are all grown-up people; their minds are mature and old; so, why should you restrict them, it is bureaucracy running amuck, why do you restrict individual freedom, why do you restrict the activities of companies or corporations, corporations are fictitious persons but they are also persons, are you not making an inroad into their liberty, and into the functioning of corporations, and so on. I shall just use those very arguments turned over to my benefit. I would point out that after all, it is not compulsory for a corporation or a company to make contributions. The provision here does not say that this corporation or that corporation should give so much to the ruling party; it is left to them to give or not to give. It is

not as if if a corporation does not give, it is going to be punished or penalised or made to suffer. If such a thing is done, I am sure my hon. friend Shri M. R. Masani would not keept quiet. He will bring the matter before Parliament. It will see the light of day. Even if my hon. friend, Shri M. R. Masani does not do it, other friends will. How can you say that any corporation will be penalised simply because it does not have any sympathy with the ruling party? And why do you specify the ruling party of today? As has been asked by Shri Morarka—I need not go to that extent—what are the cases where a corporation has been penalised because it did not make any donation to the Congress Party?

I wish to repeat that I am glad that appreciation has come from all quarters of the House of the work of the hon. Minister who has been piloting this Bill. I feel proud—justly proud—to belong to a party where he is a leader.

श्री ब्रजराज सिंह: सभापति महोदय, संयुक्त समिति ने जो सिफारिशें की हैं, आम तौर से उन का स्वागत किया जा रहा है और इस लिये इस सम्बन्ध में मुझे ज्यादा कुछ कहना नहीं है। जहां तक उन संशोधनों का सम्बन्ध है जो कि संयुक्त समिति ने किये हैं, उन में से काफी कुछ ऐसे हैं जो सही दिशा में हैं और उन का स्वागत किया ही जाना चाहिये।

एक बड़ी गलतफहमी पैदा हो रही है क्योंकि इत्तफ़ाक से श्री मसानी ने भी राजनीतिक पार्टियों के चन्दे सम्बन्धी मसले पर विरोध प्रकट किया है। इस के कारण शायद ऐसा समझा जा रहा है कि जो कुछ श्री मसानी फरमाते हैं विरोधी दल के सभी लोग उसे ही पसन्द करते हैं। मैं स्पष्ट कह देना चाहता हूं कि इस एक मसले को छोड़ कर श्री मसानी ने कम्पनी बिल के सम्बन्ध में जो कुछ कहा है उस सब के मैं पूर्णतया विरुद्ध हूं। जहां तक सेलिंग एजेंट का सवाल है या स्पेशल आडिट का प्रश्न है, मैं समझता हूं कि यह व्यवस्थायें सही दिशा में एक कदम हैं और उन का स्वागत किया जाना चाहिये।

बार बार इस सदन में कांग्रेस पार्टी की तरफ से यह कहा गया है कि यह बताया जाये कि क्या कोई ऐसे उदाहरण हैं जिन में कि कांग्रेस पार्टी को चन्दे दिये गये हैं और वे जबर्दस्ती के चन्दे थे या ऐसे चन्दे थे जिन से कि देश का राजनीतिक जीवन भ्रष्ट होता हो। मैं चाहूंगा कि उन के सम्बन्ध में कुछ उदाहरण दूं। लेकिन इस तरह के उदाहरण देने से पहले मैं एक निवेदन करना चाहता हूं कि कहीं पर भी किसी व्यक्ति के लिये चन्दा देने की कोई रोक नहीं है। जो लोग बिजिनेस चलाते हैं, किसी ज्वायेंट स्टाक कम्पनी के मेम्बर हैं या शेअर होल्डर्स हैं उन को भी अपनी व्यक्तिगत हैसियत से अपने राजनीतिक विचार रखने का अधिकार है और अपने राजनीतिक विचारों के प्रचार केहेतु चन्दा देने का भी अधिकार है। फिर कौन सी ऐसी वजह है कि कम्पनी को मजबूर किया जाता है या ऐसी व्यवस्था की जाती है कि कम्पनी चन्दा न दे? इस व्यवस्था के करने के साथ साथ इस तरह का प्रश्न उठ जाता है कि खुद कम्पनी चन्दा देने की बात कैसे तय कर सकती है? हमारे मित्र श्री अशोक मेहता ने कल जो बात कही थी, मैं समझता हूं कि उस का जवाब कांग्रेस पार्टी के किसी सदस्य की तरफ से नहीं आ रहा है। कम्पनी कोई ऐसी चीज नहीं है जो विचार कर सकती है, जिस का कोई दिमाग अपना हो, हृदय अपना हो, जिस का अलग से शरीर हो और उस के मुताबिक वह चन्दा दे सकती हो। वह तो बहुत से मिले-जुले आदमियों का, शेअरहोल्डर्स का एक समूह है, और उस समूह में यह हो सकता है कि बहुत से ऐसे लोग हों जो कि उस फैसले से, जो कि डाइरेक्टर्स लेते हैं या बहुमत से शेअरहोल्डर्स लेते हैं, विरोध में हों। जब विरोध की बात आती है तो फिर क्यों इस तरह की व्यवस्था करने की बात कही जाती है? इस तरह की व्यवस्था के

[श्री ब्रजराज सिंह]

कोई माने नहीं होते हैं कि वे लोग जो किसी राजनीतिक पार्टी को अच्छा समझते हैं, चाहे वह कांग्रेस पार्टी हो या स्वतंत्र पार्टी हो, वे अपनी व्यक्तिगत हैसियत से उसे चन्दा नहीं दे सकते हैं। फिर जो लोग बिजिनेस चलाते हैं, कम्पनी के डाइरेक्टर हैं, उन्हें जो मुनाफा मिलता है उस कम्पनी से, वह अपने घर से चन्दे की शक्ल में क्यों नहीं देना चाहते हैं? मुझे ऐसा लगता है कि इस प्रश्न की पूरी सैद्धान्तिक पृष्ठ भूमि को ही अच्छी तरह नहीं समझा जा रहा है। मैं इस मौके पर किसी पार्टी को कोई दोष नहीं देना चाहता हूं, हालांकि मेरे पास सबूत है, हमें पता है कि कांग्रेस पार्टी ने पिछले एलेक्शन में ऐसा किया है, उस के बाद बीच के टाइम में भी किया है और आगे भी करेगी। मैं इस के बजाय सिद्धान्त की बात ही कहना चाहता हूं। जब आप चाहते हैं कि किसी भी आदमी का पैसा बिना उस की अनुमति के किसी राजनीतिक पार्टी को चन्दे में जाये या किसी काम में लगे तो फिर इस व्यवथा के माने क्या हैं? चाहे पैसा डाइरेक्टर्स की अनुमति से दिया जाये या शेअरहोल्डर्स की अनुमति से दिया जाये कुछ न कुछ लोप जरूर होंगे जो दूसरे विचार के हों। फिर क्या हम कम्पनियों को भी राजनीतिक पार्टियां बनाना चाहते हैं? आखिर कम्पनी कोई राजनीतिक पार्टी नहीं है, उस में विभिन्न राजनीतिक विचारों के लोग हो सकते हैं जो कि एक खास उद्देश्य के लिये इकट्ठा हुए हैं, यानी बिजिनेस चलाने के लिये तब फिर अगर कम्पनी किसी राजनीतिक पार्टी को चन्दा देती है—मैं नहीं कहता कि वह कांग्रेस पार्टी ही होगी मैं समझता हूं कि कम्पनियां स्वतंत्र पार्टी को भी देती हैं तो उस पार्टी को चन्दा दे कर क्या वह अपने विचारों को बांध नहीं लेंगी?

अक्सर यह दलील दी गई है सदन के उस हिस्से की तरफ से कि अगर कम्पनी किसी पार्टी के चन्दा देती है और वह पार्टी देश के हित में काम करती है तो क्या हानि है? वह पार्टी देश के हत में हो सकती है, कुछ लोगों का खयाल हो सकता है कि वह पार्टी देश के हित में है, लेकिन कम्पनी का कोई अपना अलग व्यक्तित्व नहीं है, व्यक्ति का व्यक्तित्व हुआ करता है। कम्पनी की कोई अपनी विचार धारा नहीं हो सकती। ऐसी सूरत में यह कहना कि कम्पनी की तरफ से जो चन्दा दिया जा रहा है वह किसी खास प्रचार के लिये या उसके उत्थान और विकास के लिये दिया जा रहा है, मैं समझता हूं कि यह गलत चीज है, । श्री मोरारका ने बड़े जोर के साथ कहा कि मैं चैलेंज करता हूं कि कोई उदाहरण दिया जाये इसका । मैं पूछना चाहता हूं कि क्या इस तरह की चीजों में राजनीतिक काम नहीं करती है? यहां पर फंड्स के बारे में जिक्र किया गया है। अभी एक लेडी माउंटबेटन फंड क्रियेट किया गया है। लेडी माउंटबेटन के नाम पर इस फंड की शुरुआत की गई है। प्रधान मंत्री जी उसके चेयरमैन हैं, श्रीमती बिजय लक्ष्मी पंडित उसकी खजान्ची बताई जाती हैं। बहुत ही थोड़े समय में उसको जो रुपया मिला है, क्या सरकार की तरफ से कोई यह बतलायेगा कि उसमें किसी कम्पनी की तरफ से रुपया नहीं मिला है? इस से पहले से भी इस तरह के फंड हैं। प्राइमिनिस्टर का रिलीफ फंड है। वह बड़े अच्छे कामों के लिये होता है और उसमें मुझे कोई ऐतराज नहीं है, लेकिन क्या उसमें इस तरह का रुपया नहीं आता है? प्राइमिनिस्टर रिलीफ फंड है, दूसरे फंड हैं, हमारे प्रधान मंत्री का व्यक्तित्व ही ऐसा है कि उसको देख कर कम्पनियां चंदा दे दिया करती हैं। मैं यहां पर किसी विरोधी दल की बात नहीं करता क्यों कि कहा जाता है कि वे देश के हित में काम नहीं कर रही हैं। मैं यहां पर विनोबा भावे की बात कहना चाहता हूं जो कि सर्वोदय का प्रचार करते हैं। गांधी जी के दो ही उत्तराधिकारी हैं, एक श्री जवाहरलाल

नेहरू प्रशासन के क्षेत्र में और दूसरे श्री विनोबा भावे जो कि प्रशासन के विरोध में और जनता के हित में काम करने के लिये सर्वोदय का प्रचार करने चले गये हैं । मैं सरकार से पूछना चाहता हूं कि क्या वह कोई ऐसे आंकड़े प्रस्तुत कर सकेगी कि हिन्दुस्तान की किसी ज्वायंट स्टाक कम्पनी ने श्री विनोबा भावे को कोई चन्दा दिया हो किसी अपनी कम्पनी से और अगर नहीं दिया है तो क्यों नहीं दिया है क्यों कि यहां किसी विरोधी दल का सवाल नहीं है, विरोधी विचार धारा का सवाल नहीं है । उस प्रचार के हेतु जो गांधी जी की परम्परा को देश में कायम रखने के लिये किया जा रहा है, अगर चन्दा नहीं दिया जाता है किसी कम्पनी के द्वारा तो मैं पूछना चाहता हूं कि आखिर इसका मतलब क्या है ?

श्री इन्द्रजीत गुप्त (कलकत्ता दक्षिण-पश्चिम) : इसके लिये दे कर कम्पनी को कोई फायदा नहीं होगा ।

श्री ब्रजराज सिंह : हमारे मित्र कहते हैं कि उन को देने से कम्पनी को कोई फायदा नहीं होगा । मैं इस में नहीं जा रहा था क्यों कि ऐसा समझा जा रहा है, हमारी प्रशासकीय पार्टी के जो माननीय सदस्य हैं वे ऐसा समझते हैं, कि हम किसी ऐसे उद्देश्य की वजह से इसका विरोध करते हैं जो कि उचित नहीं है । मैं विश्वास दिलाना चाहता हूं कि जहां तक इस व्यवस्था के विरोध का सवाल है, उस के पीछे एक बहुत ही पवित्र उद्देश्य है और वह सारी पार्टियों पर देश की लागू होता है । मैं नहीं कहता कि यहां पर कोई ऐसा युधिष्ठिर है जो रुपया नहीं लेना चाहेगा । और मैं अपने को भी उस में शामिल करता हूं । लेकिन मैं ऐसी व्यवस्था क्यों करवाना चाहता हूं? क्यों कि जो व्यक्ति पूरे पैसे का मालिक नहीं है वह दूसरों का पैसा देना चाहता है और उससे फायदा उठाना चाहता है ।

श्री हरिश्चन्द्र माथुर : क्या माननीय सदस्य को यह मालूम करके संतोष हो जायेगा कि विनोबा भावे जी को कारपोरेट कम्पनियों की तरफ से चन्दा मिला ? इत्तफाक़ ऐसा हुआ कि मैं सेंट्रल हाल में बैठा हुआ था । मुझे बताया गया कि जब ग्वालियर के अन्दर विनोबा जी गये तो इन्दौर और ग्वालियर में जो चन्दा उनको मिला था उसमें से २०,००० रु० कारपोरेट कम्पनियों ने दिया था ।

श्री ब्रजराज सिंह : वह कौन सी कम्पनी हैं ?

श्री हरिश्चन्द्र माथुर : वह तो मैं नहीं बतला सकता । लेकिन यह कल की बात है ।

श्री ब्रजराज सिंह : अगर ऐसा हुआ है तो मैं उसका स्वागत करूंगा लेकिन मेरा विश्वास है कि यह कम्पनी की ओर से नहीं बल्कि किसी व्यक्ति की ओर से होगा । लेकिन अगर किसी कारपोरेट बाडी ने भी दिया हो तो उससे कोई फर्क नहीं पड़ता क्यों कि कारपोरेट बाडी अपने नाम के लिये भी विनोबा जी को दे सकता है । और अगर ऐसा हुआ है तो उसूलन तो वह भी गलत है । मैं चाहता हूं कि श्री माथुर इस बात की जांच पड़ताल करें कि यह रुपया बिनोबा जी को किसी कारपोरेट बाडी की तरफ से दिया गया था या किसी व्यक्ति ने अपनी तरफ से दिया है । और अगर किसी कारपोरेट बाडी ने भी दिया होगा तो यह एक ऐसा उदाहरण होगा । ज्यदा उदाहरण ऐसे नहीं हो सकते ।

कहा जाता है कि इसके उदाहरण दीजिये उत्तर प्रदेश में पिछले चनावों के बाद ऐसी अफवाहें थीं, जिनका अभी तक खण्डन नहीं किया गया है , कि उत्तर प्रदेश की जो ज्वाइंट स्टाक कम्पनीज शुगर मिल्स को चलाती हैं उन्होंने कांग्रेस पार्टी को ५० लाख रुपया दिया । यह चीज कहां तक सही

[श्री ब्रजराज सिंह]

है इसके जानने के साधन सरकार के पास हैं। मेरे पास ऐसे साधन नहीं हैं कि मैं जान सकूं कि यह बात सही है या नहीं है। अगर ५० लाख की बात सही न हो और वह २५ या १० या ५ लाख की बात हो तो भी उसको प्रकाश में आना चाहिये। पूछा जाता है कि किसका विशेष हित सरकार ने इस वजह से किया है। मैं निवेदन करना चाहता हूं कि जब गन्ना उत्पादन कहता है कि हमारे गन्ने की कीमत बढ़ाओ, तो बीस तरह की दलीलें देकर कहा जाता है कि तुम्हारी कीमत नहीं बढ़ायी जा सकती। लेकिन चीनी का उत्पादन चाहे जितना बढ़ता चला जाए, लेकिन मिल वालों को निश्चिन्त कर दिया जाता है कि तुमको इससे कम कीमत नहीं मिलेगी।

श्री शास्त्री की बहुत तारीफ की गयी। मैं उसका विरोध नहीं करता। मैं जानता हूं कि इस चनाव के लिये वह ए० आई० सी० सी० की तरफ से सारे हिन्दुस्तान में कांग्रेस के टिकट बांटेंगे। लेकिन मैं उनसे पूछना चाहता हूं कि क्या वह गारण्टी दे सकते हैं कि जो भी जाइंट स्टाक कम्पनीज की तरफ से कांग्रेस को फण्ड मिलेंगे उनको फौरन देश के सामने प्रकाशित कर दिया जाएगा कि फलां फलां कम्पनी से इतना रुपया मिला है। यह कहा जाता है कि साल भर बाद उस कम्पनी की बैलेंसशीट में दिखा दिया जाएगा कि किस पार्टी को कितना रुपया दिया गया है, लेकिन उस वक्त तक तो उसका महत्व ही खत्म हो जाएगा। अगर आप चाहते हैं कि यह रहे ही और आपकी तरफ से यह घोषणा की जाती है कि इस में कोई बुरा उद्देश्य नहीं है और जो जिस विचारधारा को मदद करना चाहे उसको वैसा करने का अधिकार होना चाहिये, तो इस उद्देश्य को पूरा करने के लिये आपको कुछ सुरक्षाएं रखनी चाहियें। उनमें से एक सुरक्षा यह हो सकती है कि जैसे ही कोई कम्पनी किसी राजनीतिक पार्टी को चन्दा दे, ऐसी व्यवस्था होनी चाहिये कि उसका तुरन्त प्रकाशन कर दिया जाए। यह केवल मेरा अपना सुझाव नहीं है। मिस्टर छागला ने भी यह सुझाव दिया था, और जो लोग इसको पवित्रता की दृष्टि से देखते हैं वह यह पसन्द करेंगे कि जैसे ही यह चन्दा दिया जाए वैसे ही उसका प्रकाशन कर दिया जाए कि फलां फलां कम्पनी ने फलां फलां लोगों को रुपया दिया है। मैं समझता हूं कि इस पर ज्यादा बहस की जरूरत नहीं है। यहां कल से जो बहस हो रही है उसमें इस चीज पर बहुत जोर दिया गया है। मेरा निवेदन है कि मेरे इस सुझाव पर सरकार गम्भीरतापूर्वक विचार करे। मैं समझता हूं कि इस प्रकार चन्दा देने का अधिकार व्यक्ति को तो हो सकता है कम्पनी को यह अधिकार नहीं होना चाहिये। जो फंडामेंटल राइट किसी व्यक्ति को है, वह कम्पनी को नहीं हो सकता, लेकिन अगर आप चाहते हैं कि चन्दा देने के मामले में किसी पर रोक नहीं लगायी जानी चाहिये, तो उसके लिये आपको सुरक्षा रखने की व्यवस्था करनी पड़ेगी कि ज्यों ही इस प्रकार का चन्दा दिया जाए उसका प्रकाशन कर दिया जाए। इससे आपका उद्देश्य पूरा हो जाएगा। अगर यह व्यवस्था कर दी जाएगी तो चन्दा देते ही पता चल जाएगा कि फलां कम्पनी ने फलां पार्टी को इतना रुपया दिया है।

कल बहुत से माननीय सदस्यों ने कहा कि कुछ पार्टीज विदेशों से भी रुपया प्राप्त करती हैं। मैं कहना चाहूंगा कि इस चीज की तीव्र से तीव्र भर्त्सना करनी चाहिये। लेकिन इसके लिये कौन जिम्मेदार है कि दूसरे देशों से इस प्रकार रुपया यहां आने दिया जाता है। देश में कांग्रेस की सरकार है। यदि ऐसा होता है और कुछ लोग राजनीतिक हेतुओं के लिये बाहर से रुपया प्राप्त करते हैं, तो

उनके खिलाफ कोई कार्रवाई क्यों नहीं की जाती। मैं समझता हूं कि कम्पनियों द्वारा राजनीतिक पार्टियों को चन्दा देना जितना बुरा है उससे कहीं अधिक विदेशों से इस प्रकार रुपया आना बुरा है। लेकिन इसके लिये कांग्रेस सरकार जिम्मेदार है। उसे ऐसी व्यवस्था करनी चाहिये कि इस प्रकार के काम के लिये विदेशों से कोई भी रुपया हासिल न कर सके। अगर इस तरह की व्यवस्था हो जाए कि विदेशों से किसी राजनीतिक पार्टी को देश की राजनीतिक को प्रभावित करने के लिये रुपया न मिल सके तो बहुत सुन्दर होगा। ऐसा होने से देश की राजनीति स्वस्थ हो सकती है और देश का राजनीतिक जीवन अच्छी तरह पनप सकेगा।

एक माननीय सदस्य : और जो पैसा विदेशों में जमा है।

श्री ब्रजराज सिंह : उसका सवाल नहीं है। जो रुपया विदेशों से इस देश में देश की राजनीति को प्रभावित करने के लिये आता है मैं इस समय उसका विरोध कर रहा हूं। सरकार को ऐसा रुपया न आने देने के लिये उचित व्यवस्था करनी चाहिये। तो मेरा निवेदन है कि राजनीतिक पार्टियों को चन्दा देने के विषय पर सरकार को गम्भीरतापूर्वक विचार करना चाहिये।

हमारे बारे में तो सरकार कह सकती है कि सोशलिस्ट पार्टी और कांग्रेस की विचार धारा में बड़ा अन्तर नहीं है, वे तो छोटे बड़े भाई हैं। लेकिन आज जहां कांग्रेस को चन्दे द्वारा मदद मिल रही है, उसके साथ ही साथ श्री मसानी जैसे लोगों को भी इसके द्वारा पनपने का अवसर मिल रहा है। और आज देश के लिये यह सबसे खतरनाक चीज होगी कि श्री मसानी जी जैसी विचारधारा वाले लोग या पार्टियां देश में पनपें। मसानी जी जो आज इस विषय पर इतने जोर से बोल रहे हैं उसका कारण यह है कि वह इस चीज का फायदा सन् १९६२ के चुनाव में उठाना चाहते हैं। मैं निवेदन करूंगा कि सरकार इस प्रश्न पर गम्भीरतापूर्वक विचार करे और इस प्रकार की व्यवस्था कर दे कि जैसे ही किसी को इस प्रकार का चन्दा मिले उसका प्रकाशन हो जाए ताकि लोगों को पता चल जाए कि किसको किसने कितना दिया। मैं समझता हूं कि ऐसा करने की खास जरूरत है।

श्री झुनझुनवाला (भागलपुर) : चेयरमैन साहब, जो हमारी इंडस्ट्रियल पालिसी है उसकी नीति को सामने रखते हुए कम्पनीज एक्ट बनाया गया है। हमारी इंडस्ट्रियल पालिसी के अनुसार हमने देश में पब्लिक और प्राइवेट सेक्टर दोनों को रखा है और दोनों की उन्नति हम देखना चाहते हैं। हम चाहते हैं प्राइवेट सेक्टर की भी उन्नति हो और उसके द्वारा देश की कोई हानि न हो। इसी लिये यह ऐक्ट बनाया गया था। हमारी सरकार ने सन् १९५६ में इस ऐक्ट को बदला था और उसमें ऐसी धाराएं जोड़ी थीं कि जो मैनेजिंग एजेंट आदि अनुचित लाभ उठाते थे वे ऐसा न कर सकें। लेकिन अब सोचा गया कि सन् १९५६ का ऐक्ट इस उद्देश्य की पूर्ती नहीं कर सकता। उसमें कई प्रकार की कानूनी अड़चनें आयीं और काम करने के बाद देखा गया कि इस ऐक्ट में इन संशोधनों की और आवश्यकता है। इसलिए ये सब संशोधन यहां पर लाए गए हैं। कम्पनीज ऐक्ट में जो यह सब संशोधन लाये गये हैं वे इस नाम की पूर्ति के लिए बहुत ही जरूरी हैं। लेकिन एक बात मैं कहना चाहता हूं कि जिस उद्देश्य से यह चीज की गई है वह उद्देश्य अभी भी जो यह चीज बनाई गई है और जो संशोधन लाये गये हैं उनसे यह चीज पूरी होने में हमको सन्देह मालूम होता है।

सब से भारी दिक्कत जो इसमें आती है वह यह है कि बीच में हम लोगों को हर एक मामले के लिए कोर्ट में जाना पड़ता है और गवर्नमेंट की अच्छी नीयत होते ए और

[श्री झुनझुनवाला]

ऐडमिनिस्ट्रेशन डिपार्टमेंट के अच्छे तरीके से काम करते हुए भी यह बीच में कोर्ट आ जाता है और यह इंडस्ट्रियलिस्टस लोग उनमें आकर वर्षों बिता देते हैं और जो इसका उद्देश्य है वह खत्म हो जाता है । इसलिए हमारे श्री अशोक मेहता ने ठीक ही सुझाव दिया है कि इसके लिए एक स्टैचुटरी कमेटी बनानी चाहिए जिसके हाथ में यह काम सौंप दिया जाये कि उसका ऐडमिनिट्रेशन वह करे और उसका फैसला बराबर के लिए कायम रहे । जिस प्रकार फ्रांस में ट्रिब्युनल बनाया जाता है उसी तरह की यहां भी कोई व्यवस्था होनी चाहिए । अगर यह दोनों में से एक चीज होगी तो मेरी समझ में यह जो सरकार का उद्देश्य है इसको अमल में लाने का, इंडस्ट्रियल पालिसी को काम में लाने का और यह जो इनइक्वैल्टिज हो जाती हैं कि एक आदमी के पास तो बहुत सा धन जमा हो जाता है और बहुत से आदमियों के पास बहुत कम पैसा रहता है, अगर यह आर्थिक असमानता मिटाई नहीं जाती है तो हम अपने उद्देश्य को प्राप्त करने में असमर्थ रहेंगे । मेरी समझ में सरकार का ध्यान उस ओर है और मैं चाहता हूं कि इस आर्थिक असमानता को दूर करने के लिए शीघ्र ही इस में एक ऐसा सुधार करें जिससे कि प्राइवेट सेक्टर से जो लाभ हो सकता है वह होवे ।

इसके अतिरिक्त आज जो छोटी-छोटी बातों के लिए कोर्ट में जाते हैं, हाईकोर्ट में गये फिर हाईकोर्ट में गये, सुप्रीम कोर्ट में गये और दुबारा फिर सुप्रीम कोर्ट में सुनवाई हुई और फिर लौट कर मामला ऐडमिनिस्ट्रेटिव डिपार्टमेंट के ऊपर आया तो यह चीज मिटाने के लिए इन दोनों में से एक चीज को देखने की बहुत आवश्यकता है । यह चीज सरकार को जल्दी से जल्दी करनी चाहिए ।

जिस समय यह बिल ज्वाइंट कमेटी में भेजा जाता था उस समय भी मैंने जो बात कही थी वह यही थी कि वे लोग जो कि जल्दी-जल्दी कोर्टस् में भाग जाते हैं तो उनके भागने का कारण यह नहीं है कि कम्पनी के इंटरेस्ट में कुछ आरोप लगाये जाते हैं जो भी आरोप लगाया जाता है वह चाहे मैनेजिंग एजेंट के ऊपर रहता है, डाइरैक्टर्स के ऊपर रहता है और चाहे उनके आफिसर्स के ऊपर रहता है, कम्पनी के फायदे के लिए यदि कोई चीज हो तब तो सरकार उसके ऊपर ऐक्शन ले ही नहीं सकती । ऐक्शन जो होता है, इनवैस्टिगेशन होती है, काम जब आगे बढ़ता है, कम्पनी के मैनेजिंग एजेंट आदि के विरुद्ध जो कुछ भी बातें होती हैं तो वह एक कोर्ट से दूसरे कोर्ट तक मजे में चले जाते हैं और लाखों रुपया कम्पनी का ही उसमें खर्च होता है । मैंने उस समय यह सुझाव दिया था कि इसके ऊपर एक प्रतिबंध लगा दिया जाये कि यदि कोई चार्ज मैनेजिंग एजेंट पर हो, डाइरैक्टर पर हो, आफिसर्स पर हो और इन लोगों की बुराइयों की वजह से कोई चीज हो और वह कोर्ट में जाये तो उसका खर्चा कम्पनी के ऊपर न पड़े और उसका खर्चा उन लोगों को स्वयं बर्दाश्त करना पड़े । यदि इस तरह की पाबन्दी आयद हो सके कि इसका खर्चा उन लोगों को देना पड़ेगा तो मेरी समझ में वे लोग जल्दी से कोर्ट में नहीं जायेंगे परन्तु मैं देखता हूं कि इसके लिए इसमें कुछ भी नहीं किया गया है ।

अभी तक जो सारे केसेज कोर्टस् में गये हैं उनकी रिपोर्ट शायद निकली थी । हमारे मित्र श्री अशोक मेहता ने उसके बारे में बतलाया था और मैं भी आज वह रिपोर्ट पढ़ रहा था । हमारे ऐडमिनिस्ट्रेशन डिपार्टमेंट ने भी उसको क्रिटिसाइज किया था । अब मैं आपको बतलाऊं कि जनरल मीटिंग एक कम्पनी एक वर्ष तक नहीं करती है और कोई कम्पनी दो वर्ष तक नहीं करती है । वह सब केसेज कोर्टस् में गये और उन पर मजिस्ट्रेट ने ५ रुपया या १० रुपया जुर्माना किया तो मेरा कहना है कि इस तरह केवल जुर्माना भर

कर देने से वह चीज बन्द नहीं हो सकती। इसके लिए एक स्टैचुटरी कमेटी की स्थापना हो ताकि मामलों का फैसला जल्दी हो सके और वह व्यापारिक बुद्धि से देखेंगे कि भाई ऐसे काम में किस तरह से होना चाहिए। अभी तक कोर्टस में जो केस गये, कोर्टस में केस डिसाइड हुए तो वह इस तरह से डिसाइड हुए जिससे कि उन लोगों के ऊपर कोर्ट में जाने से कोई किसी प्रकार की रुकावट नहीं हुई और दूसरे यह लोग कह देते हैं कि चलो ऐसा नहीं करेंगे तो हमारा अधिक से अधिक होगा क्या बहुत होगा दस रुपया जुर्माना हो जायेगा। यह कोई मोरेल टरपीच्यूड तो हैं नहीं और अगर ऐसा हो भी गया तो भी कोई हर्ज की बात नहीं है। इसलिये मैं फिर इस बात के ऊपर जोर दूंगा कि इस प्रकार से अगर वे लोग गफलत करें और उस के कारण यदि उन्हें कोर्ट में जाना पड़े तो खर्चे के जिम्मेदार वे खुद हों और कम्पनी की तरफ से उन को खर्चा नहीं मिलना चाहिये।

कम्पनीज ऐक्ट की धाराओं में कुछ संशोधन हुए हैं जसे इनवस्टिगेशन की बात है, ट्रान्सफर ऑफ शेयर्स की बात है तो यह एक बड़ा भारी फंडामेंटल राइट शेयर होल्डरों का है। जिन के पास शेयर्स हैं वे अपने रक्खें। उन का डिवीडेंड उन को समय पर मिले और वह चाहें तो अपने शेयर्स किसी दूसरे व्यक्ति को बेच सकते हैं और जिस को वे शेयर बेचें उस के नाम में वह शेयर्स ट्रान्सफर कर दिये जायें। परन्तु देखा गया हैं कि कम्पनीज ट्रान्सफर करने में ऐतराज करती है। अच्छे अच्छे केसेज में भी वह शेयर्स ट्रान्सफर नहीं करती हैं। नतीजा यह होता हैं कि शेयर होल्डर्स का जो यह अधिकार है और राइट हैं वह एक दम से वाएलेट हो जाता हैं। वे मुनासिब वक्त पर जब वे चाहें अपने शेयर्स नहीं बेच सकते हैं और जिस वक्त अच्छे दाम उन को शेयर्स के मिल सकते हैं वह भी उन को नहीं मिलते हैं क्योंकि जो उन से शेयर्स खरीदने वाले हैं वे यह समझते है कि वह शेयर्स हमारे नाम से ट्रान्सफर नहीं होंगे। ऐसी हालत में सरकार ने कानून भी बनाया कि नहीं यह चीज जो है इस को कोर्ट में जाने का अधिकार भी ला सकते हैं। यहां पर आयेगी। कम्पनी ला ऐडमिनिस्ट्रेशन के पास कर दी जाय और उस का फैसला करने का उस को अधिकार प्राप्त होगा। परन्तु हमारे देखने में आता है कि इस के बाद भी वह सब कोर्ट्स में जाते हैं। एक कोर्ट से दूसरे कोर्ट में जाते हैं और एक शेयर दूसरे के नाम से ट्रान्सफर होने में ६, ६ और ७, ७ वर्ष लग जाते हैं। ऐसी हालत में यह जरूरी चीज है। इस बार सरकार ने कुछ संशोधन भी किया हैं परन्तु देखना है कि उस संशोधन से क्या लाभ होता हैं।

माइनारटीज शेयरहोल्डर्स के लिए शुरू में जब यह ऐक्ट बना था उस वक्त यह कहा गया था कि माइनारिटीज शेयरहोल्डर्स की ओर से भी कुछ प्रतिनिधि बोर्ड आफ डाइरेक्टर्स में रहने चाहियें जोकि उन के इंटरेस्ट्स को भी देख सकें और यह कहा गया था कि प्रपोरशनल रिप्रेजेंटेशन के हिसाब से वे लोग चुने जायें परन्तु वह बात नहीं मानी गई। उस के बदले में एक सैक्शन बनाया गया। यदि कोई कम्पनी ठीक काम न करे और सरकार को यह मालूम हो जाय और शेयर-होल्डरों को रिप्रेजेंटेशन कर के यह बतला सके कि फलांनी कम्पनी ठीक काम नहीं करती है तो सरकार की ओर से दो डाइरैक्टर नियुक्त कर दिये जायेंगे। परन्तु वह सैक्शन भी अभी तक ठीक तरह से लागू करने में कम्पनी ला एडमिनिस्ट्रेशन असफल है। इस बार उस में भी परिवर्तन किया गया हैं। शेयर होल्डरों को पूछा जाता ह, मैनेजिंग एजेन्ट को पूछा जाता है और आप उन्हीं का नाम देते हैं। मेरा तात्पर्य यह हैं कि वहां पर डायरेक्टर रहेंगे सात आठ और उन में दो डायरेक्टर गवर्नमेंट के एप्वायंट किये हुए रहेंगे। गवर्नमेंट के एप्वायंट किये हुए डायरेक्टरों की मैजारिटी तो रहेगी नहीं

[श्री झुनझुनवाला]

—वे माइनारिटी में रहेंगे । कम से कम वे सब चीजों को जा कर देख तो सकेंगे । वे मैजारिटी के सामने कर तो कुछ नहीं सकेंगे, लेकिन सब कुछ जान कर सरकार के सामने जरूर ला सकेंगे । वे भी देखते हैं कि हमारी एडवाइजरी कमेटी ने वह सैक्शन ऐसा बनाया था कि जो डायरेक्टर बनाया जायगा, वह शेयर-होल्डर होना चाहिये । जिस आदमी को डायरेक्टर का नाम दिया गया है शेयर होल्डर्ज की तरफ़ से, वह शेयर-होल्डर नहीं था । उस ने शेयर बेचा गया । उस के नाम से कम्पनी ने शेयर ही ट्रांस्फर नहीं किया । इस चीज को इस तरह बनाना चाहिये था कि जो चीज हम बनायें, वह ठीक तरह से लागू हो । इस में सुधार हुआ है देखें कहां तक कामयाब होता हैं ।

14 hrs.

मसानी साहब ने यह कहा हैं कि मैजारिटी से रूल करने का अख्तियार दिया गया हैं ताकि कम्पनी मैजारिटी से काम करे और उन का ईनिशियेटिव कर्ब न हो । यह बहुत अच्छी बात हैं और मैं इस से सहमत हूं कि व्यापार में यदि बहुत इन्टरफ़ियरेंस होगा और बहुत नुक्ताचीनी होगी, तो वह बहुत ठीक तरीके से नहीं चल सकता हैं, चाहे वह शेयर-होल्डरों की तरफ़ से हो, चाहे गवर्नमैंट की तरफ़ से हो । इसलिये मैं चाहता हूं कि उनको पूरा अधिकार हो और बीच में अनावश्यक नुक्ताचीनी न हो और न ही किसी प्रकार का अननैसेसरी इन्टरफ़ीयरेंस हो । श्री मसानी यहां पर नहीं हैं । मैं उन को यह बताना चाहता हूं कि मैनेजिंग एजेन्ट्स वगैरह की बदफ़ेलियों को, उन के काम को,गैजो गोल-माल वे करते हैं, उन को देख कर और उन को रोकने के लिये ये सब कानून बनाये गये हैं । मैं मसानी साहब से यह प्रार्थना करूंगा कि हर चीज कानून से ही नहीं हो सकती हैं । कानून को तो हर तरह से डिफ़ीट किया जा सकता हैं । वह कहते हैं कि लोगों की स्वाधीन स्वाधीनता के ऊपर कोई हमला न हो । अपनी स्वाधीनता को बचाने के लिये उन को इस प्रकार से सलूक करना चाहिये कि शेयर-होल्डरों और पब्लिक के अधिकारों पर कुठाराघात न हो और वे इस प्रकार का रोजगार करें, इस प्रकार की कम्पनीज बनायें, प्रकार उन को मैनेज करें, जिस से हमारे देश का सिस्टम ठीक तरह से चले और हमारी प्लान्ड इकानोमी के सिद्धान्तों का पालन हो । यदि वे ऐसा करेंगे, तो कोई आपत्ति नहीं होगी ।

श्री मसानी चाहते हैं कि क्लाज ७० न हो, जो कि स्पेशल आडिट के बारे में है । वह दो तीन सेफ़गार्ड मांगते हैं । एक तो उन का कहना यह है कि जब स्पेशल आडिट किया जाये, तो उन को कहना चाहिये कि हम ऐसा करना चाहते हैं, तुम को क्या एतराज है —उन को बताया जाना चाहिये कि तुम्हारे ऊपर ये चार्जिज हैं और उन को जवाब देने का मौका देना चाहिये । उन के ऐतराज सुन कर ही स्पेशल आडिट किया जाये । उन्होंने यह भी कहा कि यदि हमारे मिनिस्टर साहब यह एशोरेंस दें कि ये एतराज सुने जायेंगे, तो हमें कोई आपत्ति नहीं है । मिनिस्टर साहब ने कहा कि यह चीज हमारा डिपार्टमेंट देखेगा और यदि वह मुनासिब समझेगा तो पूछेगा । मेरा सुझाव है कि डिपार्टमेंट तो ठीक है, परन्तु हमारी समझ में यदि डिपार्टमेंट के अलावा मिनिस्टर साहब भी खुद देखें, तो कुछ सेफ़गार्ड हो सकता है ।

उन्हों ने यह भी कहा कि उस की रिपोर्ट हम को मिलनी चाहिये । मेरी समझ में इस में कोई ऐतराज नहीं होना चाहिये । स्पेकल आडिट की रिपोर्ट कम्पनी को जरूर मिलनी चाहिये ।

उन्होंने यह भी कहा कि यदि हम को एतराज हो, तो कम्पनी को कोर्ट में जाने का अख्तियार होगा । मेरी समझ में यह ठीक

नहीं है, क्योंकि कोर्ट में जाने का मतलब यही होगा कि यह प्राविजन काम में नहीं आ सकता है और स्पेशल आडिट हो ही नहीं सकता है। पचास तरह के अड़ंगे होंगे एक कोर्ट से दूसरी कोर्ट भागते-भागते सरकार थक जायेगी ऐसी हालत में केवल दो सेफ़गार्डज उन को मिलने में कोई ऐतराज नहीं होना चाहिये ।

अब मैं एस क्लाज पर आता हूं जिस पर प्रायः सभी माननीय सदस्यों ने अपने विचार प्रकट किये हैं और कुछ न कुछ जरूर उसके बारे में कहा है । श्री मुरारका ने कहा है कि यह ऐसी चीज नहीं है जिसपर इतनी ज्यादा बहस हो । यह क्लाज पोलिटिकल पार्टीज को चन्दा दिये जाने के बारे में है । कम्पनी के मैनेजमेंट का जिससे व्योपार को हानि लाभ तो नहीं है । इसके सम्बन्ध में दो तीन बातें उन्होंने कही हैं । एक बात तो यह कही है कि यह रुपया शेयर होल्डर्स की रजामन्दी से ही दिया जाना चाहिये । दूसरी बात यह कही है कि माइनोरिटी शेयरहोल्डर्स को हक हासिल होना चाहिये कि यदि वे नहीं चाहते हैं कि फलां पोलिटिकल पार्टी को रुपया दिया जाये तो उनके हिस्से की रकम उस पार्टी को देने का उनको अधिकार हो जिसको वे चाहते हैं कि रुपया दिया जाये । तीसरी बात उन्होंने यह कही है कि जब भी इस तरह की कोई चीज हो तो वह डिकलेयर हो जानी चाहिये कागजों वगैरह में कि फलां-फलां पार्टी को फलां-फलां कम्पनी ने चन्दा दिया है और इतना चन्दा दिया है । यह बात उन्होंने इस लिये कही है कि जो कोरप्शन होता है वह न हो सके और रूलिंग पार्टी को जो पैसा मिलता है, उसके बदले में देने वाली कम्पनी जो आशा करती है कि उसको फलां चीज मिलेगी उसके बदले में, वैसी चीज न होने पाये । कम्पनी दबाव और लालच में आकर न देवे मुझे पता नहीं कि किस तरह से यह चीज हो सकती है । लेकिन एक बात मैं जरूर कहना चाहता हूं । जिस तरह से मेमोरेंडम के अनुसार कम्पनी को अख्तियार हासिल है कि किसी भी चैरिटेबिल काम के लिये पैसा वह दे सकती है उसी तरह से कम्पनी को यह भी अख्तियार होना चाहिये कि वह पोलिटिकल पार्टीज को चन्दा दे सके । पोलिटिकल पार्टीज को चन्दा वे दें, इसमें किसी को कोई ऐतराज नहीं होना चाहिये । यह कम्पनी का काम है देखना कि किस पार्टी को चन्दा दिया जाये और किस को न दिया जाये । वही देखेगी कि कौन सी पार्टी देश के हित में काम कर रही है और कौन सी नहीं कर रही है और किस पार्टी को चन्दा दिया जाना चाहिये और किस को नहीं दिया जाना चाहिये । इस वास्ते मैं समझता हूं कि उनको उनके इस राइट से महरूम कर देना और उनके रास्ते में अड़चनें खड़ी कर देना कि यह पैसा जो है, कम्पनी नहीं दे सकती है, मुनासिब नहीं है, वाजिब नहीं है ।

लेकिन इस सम्बन्ध में एक बात मैं कहना चाहता हूं । मैंने कहा कि कम्पनीज को रुपया पोलिटिकल पार्टीज को देने का अख्तियार रहना चाहिये लेकिन जो देने का तरीका है उस में भी थोड़ा संशोधन होना चाहिये कि इतने से अधिक वे न दें, या शेयरहोल्डर्स की मीटिंग करके दें या बिना उनकी इजाजत न दें । इसके साथ ही साथ उन कम्पनीज से भी जो यह कहती हैं कि हम सोशलिस्टिक पैटर्न आफ सोसाइटी करते हैं या हम किसानों के लिये हैं, हम मासिस के लिये हैं जा कर हमारे लिये पैसा लेना ठीक होगा, इसमें मुझे जरा सन्देह ही होता है । मैं समझता हूं कि यदि ऐसी कम्पनियों से, ऐसे बड़े-बड़े लोगों से पैसा लेंगे और उनसे पैसा लेकर काम करेंगे तो जरूर कुछ न कुछ कोरप्शन होगा । जिस तरह से महात्मा जी ने १९२० में और उसके बाद काम किया है और जैसे उन्होंने बड़े-बड़े लोगों के पास जाकर पैसा नहीं मांगा है और न ही तब हम जाकर मांगा करते थे बल्कि गावों में जा-जा कर लोगों से पैसा लेते थे, उसी तरह से आज भी

[श्री झुनझुनवाला]

हमें करना चाहिये । उससे दो फायदे होते हैं । एक तो यह कि गांवों में जाकर हम अपना प्रचार कर सकते हैं, अपनी आइडयोलोजी बता सकते हैं और उनको बता सकते हैं कि हम किसके लिये क्या-क्या काम कर रहे हैं और दूसरा यह कि हमको पैसा भी आसानी से मिल सकता है । इसी तरह से मैं चाहता हूं कि अब भी चाहे, काग्रेस पार्टी हो या सोशलिस्ट पार्टी या कोई और पार्टी उसे उनके बीच जाना चाहिये, हर रोज जाना चाहिये और यह नहीं कि जब इलैक्शन आवें, तो उनके चार महीने पहले या छः महीने पहले जावें इलैक्शन खत्म होने के बाद भी लगातार उनको उनके बीच में जाते रहना चाहिये, गावों में जाते रहना चाहिये और लोगों को समझाना चाहिये, बतलाना चाहिये कि ये-ये काम हैं जो करने हैं और उनके लिये पैसा चाहिये और उन्हे हमारी मदद करनी चाहिये । अगर ऐसा किया गया तो जो कोरप्शन की शिकायतें हैं और ग्रपइज्म इत्यादि की शिकायतें हैं जो कि हर पार्टी में फैल रही हैं, वे बहुत कम हो जायेंगी । इसका यह इलाज नहीं है कि कम्पनीज को आप कहें कि वे पैसा न दें और उनके रास्ते में अड़चने पैदा करें । जो अड़चनें हैं वे हमलोगों को अपने ऊपर लगानी चाहिये । हम किसी पार्टी के भी हों हमें चाहिये कि हम उनसे पैसा लें जिन के लिये हम काम करते हैं । वैसे तो हम कम्पनीज के लिये भी काम करते हैं, इंडस्ट्रीज के लिये भी काम करते हैं, सब के लिये करते हैं, लेकिन आजकल प्रवृत्ति यह हो गई है कि हम लोग एक जगह जाकर, वहीं से कुछ लोगों से पैसा ले लेते हैं लेकिन जो खुशी से देने के लिये तैयार रहते हैं, जो आपका सत्कार करते हैं, आपसे किसी चीज की मांग नहीं करते हैं, उनके पास हम पांच साल के बाद ही जाते हैं जब इलैक्शन का वक्त आता है । यदि हम जा कर उनके बीच काम करें तो वे पैसा भी देंगे और वोट लेने के वक्त यदि आपकी आइडयोलिजी ठीक है, यदि आप सचमुच उनके लिये काम करते हैं आपको किसी किस्म की दिक्कत का सामना नहीं करना पड़ेगा, इलैक्शन में इतना खर्चा भी नहीं करना पड़ेगा जितना आप आज करते हैं और उनसे इतना ही कहना होगा कि यह कांग्रेस का कंडीडेट है या यह फलां पार्टी का कंडीडेट है इसको वोट दो, तो उसको वोट मिल जायेगा ।

इस वास्ते मैं अनुभव करता हूं कि कम्पनीज के ऊपर पैसा देने के बारे में बन्धन लगाना ठीक नही है । हां यह जरूर होना चाहिये कि शेयरहोल्डर्स को पता चल जाये कि इतना पैसा फलां पार्टी को दिया गया है । बिना उनको बतलाये हुये पैसे का दिया जाना ठीक नहीं होगा । साथ ही साथ हम लोगों को अपनी इस वृत्ति पर रोक लगानी चाहिये, इसको हमें कम करना चाहिये कि हम केवल बड़े-बड़े आदमियों के पास जायें उन से ही या बड़ी-बड़ी कम्पनियों से ही पैसा मांगें ।

Shri Kalika Singh (Azamgarh): Sir, a company is a body corporate and in that sense has a juridical personality. According to the General Clauses Act, a company is a person. It is the duty of the Government to regulate the behaviour of persons and for that, there are different statutes, like the Indian Penal Code, the Contract Act, the Transfer of Property Act, etc., enacted both by the Central and State Governments, which regulate the relationship between person and person.

When a company is formed, the essential requisite is that there must be a memorandum of association and articles of association. Articles of association are the terms of the contract between the company and the individual members and between one member and other members. The directors of the company are trustees

on behalf of the shareholders and they keep the property of the company in trust for the members and also for the public at large. I say public at large, because when a person behaves improperly in relation to some business or in relation to something in which the public is interested, in that case, it becomes the duty of Government to intervene and see that he does not behave in an improper manner.

The opposition has tried to say that the Companies Act is an interference in the working of the joint-stock companies, or the body corporate. But if we go through the provisions of the main Companies Act or this amending Bill, we find the provisions are merely regulatory. Nowhere we find stringent provisions which prohibit the functioning of the company in such a way that one could say that the Government's policy is that the business should not be run in a proper and smooth manner.

I will now take up some of the provisions which are incorporated in this amending Bill and point out how they are absolutely necessary. There were some comments about the special auditor, provided in clause 70, which seeks to add a new section 233A to the Companies Act. According to that, a special auditor will be appointed under certain contingencies, *viz.*,

> "(a) .....the affairs of any company are not being managed in accordance with sound business principles or prudent commercial practices; or
>
> (b)....any company is being managed in a manner likely to cause serious injury or damage to the interests of the trade, industry or business to which it pertains; or
>
> (c) .....the financial position of any company is such as to endanger its solvency."

About the special auditor, Shri Masani said, he was a mere auditor, and if he was a mere auditor then I have nothing to say about what Shri Masani said. But, as the hon. Minister pointed out yesterday in his opening speech, the special auditor is really an investigation officer. It is only when the Government find that a company is not working properly, or the affairs of the company are not managed in accordance with sound business principles, it is only in that contingency that Government, after being fully satisfied that not an ordinary auditor but special auditor is required, it appoints a special auditor. The moment a special audior is appointed the consequences will naturally follow. What the hon. Member said yesterday was that if a special auditor is appointed the business will suffer, it will have a bad name and persons who are connected with that company, creditors and so many other persons, will lose confidence in that company. I think that ought to be the position. After all, ours is a democratically elected Government of the people and it could not be said that ours is a bureaucratic Government. It has been elected by the people who are also the shareholders of those companies. So, if Government intervenes and appoints a special auditor, I think it will be in the interest of the public at large. If some of the companies are running very badly, Government can and should take notice of it and appoint a special auditor, who has to go through the accounts very closely and submit a report to the Government, and the Government, after going through that report, can take such action as they deem fit. Therefore, that objection about special audit is not at all valid.

Then, much was said about contributions to political parties. This is a very good provision that has been made after such a long time. We have been running this government for the last 12 or 13 years and there have been whispers among the people that this party or that party has taken so much from this concern or that concern. I do not mean to say that the ruling party only has received it. If the ruling party gets some contribution from these business concerns, what do they do? They enter it in the account

[Shri Kalika Singh]

books and try to take advantage out of it and publicise it. That is all. But more funds go to parties which blackmail these business houses themselves —communist parties and socialist parties and others also take money unaccounted for from these business houses.

An hon. Member: Can you point out a specific instance?

Shri Kalika Singh: I can point out. In my district of Azamgarh there was a communal riot. I am not going to mention the concerns which made this political contribution. A very responsible member of a very responsible political party went there, took up the case of these people and collected Rs. 2,000 and went away, just saying....

An hon. Member: Which political party was it?

Shri Kalika Singh: I will not mention the political party here because I do not think it will be in the public interest. But if you come to me, I will give you the name of the party, name of the person, name of the company, everything. That gentleman collected the money and went from place to place, from Lucknow to Delhi, but he could not do anything. That contribution did not go to the ruling party, it went to the opposition party. I know of instances where big businessmen and big capitalists patronise political parties which are opposed to the ruling party for their own interests.

An hon. Member: You get some consolation by that, I suppose.

Shri Kalika Singh: No, there is no question of any consolation. Contributions have been taken by political parties in the past, be it Congress, Socialist or Communist. But finances were collected in a wrong way. Therefore, in this amending Bill a very good provision has been made that if a contribution is made to any political party, be it Congress, Socialist or Communist, it should be entered in their accounts. What is bad in that?

In the USA, I read it in the *American Reporter* the other day, there is a limit to the contributions made to political parties. In the USA a concern can make a contribution to a political party, which is legalised there, but a limit is put there of $20,000. There is provision made in the Bill that these contributions should be accounted for, which, I think is a good thing. Then that balance sheet is open to inspection by everybody, and no party can, if it receives contributions from companies, keep it a secret. It will run the risk of becoming unpopular when it goes to the electors, who will know which party has taken how much from which concerns. So, that provision will be to the advantage or disadvantage of all the parties. The law makes it very clear that whatever contributions are made must be accounted for and should be mentioned in the balance sheet. So, there can be no whispering campaigns about it. Contributions as such are not bad.

Shri Tyagi (Dehra Dun): It is quite all right so long as you are in power. But, I am afraid, you will have to regret when others come into power and they get it.

Shri Kalika Singh: I hope you are more in power than myself.

Shri Surendranath Dwivedy: He comes from a double-member constituency or what?

Shri Kalika Singh: I think this is a good provision. My only suggestion is that if the hon. Minister puts in some limit, saying that the contribution by a company to a political party in the year should not exceed a particular sum, it would be a good thing. Otherwise, it may happen that after some years some concern may give very huge amounts to some political parties. So, after gaining some

experience, if a limit is put of Rs. 20,000, Rs. 50,000 or Rs. 1 lakh that would be a very good thing.

Then I have to make some suggestions on the other provisions of this legislation. By clause 25 you are amending section 84 of the principal Act. Under that, if an original certificate is lost, a duplicate will be issued. But if a company issuing the duplicate is found to be fradulent, a punishment will follow. The provision is:

"(2) A certificate may be renewed or a duplicate of a certificate may be issued if such certificate—

(a) is proved to have been lost or destroyed, or

(b) having been defaced or mutilated or torn is surrendered to the company."

"(3) If a company with intent to defraud renews a certificate or issues a duplicate thereof, the company shall be punishable with fine which may extend to ten thousand rupees and every officer of the company who is in dafault shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees, or with both."

This is a very stringent provision, I must say. Previously there was no criminal liability for it. There was then a provision about indemnity, and if a shareholder indemnified a company about damages that may follow as a consequence, a new certificate was issued. There are so many persons who hold zamindari bonds, State Government bonds and so many other bonds. Many of them are lost; they are published in the gazette and duplicates are issued. This means only some additional office work. If somebody says that he has lost his share certificate and supports it by an affidavit a duplicate is normally issued. Now, even if a shareholder who has genuinely lost his certificate applies for a duplicate, the company would say: "No, no, we would take about six or eight months to enquire; we shall advertise in all the papers and after all these formalities issue a duplicate, for otherwise we might some into trouble." This is too much of an interference and I suggest that this provision may be modified.

Then I come to clause 114 which seeks to amend section 314. It is said that except with the previous consent accorded by a special resolution, no director of a company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more. The remuneration of five hundred rupees or more as been newly added. Clause (1A) which is now being sought to be added reads:

"Nothing in sub-section (1) shall apply where a relative of a director or a firm in which such relative is a partner holds any office or place of profit under the company or a subsidiary thereof having been appointed to such office or place before such director becomes a director of the company."

I think this provision ought not to be here, because if a relative enters first and then later on the director comes, it comes to the same thing. These are a few suggestions which I have to make and if I get an opportunity to speak during the clause by clause consideration stage, I shall clarify some other points as well.

Shri P. K. Deo (Kalahandi): Mr. Chairman, Sir, the frequency with which the company law in this country is passed and is amended from time to time leads many to wonder whether the people comprising the Government and the legislature are capable of foreseeing what would happen in the course of two years. The company law was for the first time overhauled in 1955 and the new law came into force in 1956. Though there has been no major change in the policy regarding the company law administration, just immediately after

[Shri P. K. Deo]

one year, that is in 1957, the necessity to amend the Act of 1956 was felt and a committee was appointed to go into this question of amending the Act of 1956. It was only last year they submitted the report and on the basis of the report in 1959 this amending Bill has been introduced in this House and in 1960 it has emerged from the Joint Committee with some very nice amendments. Some of the provisions that have been introduced in the Bill as it has emerged from the Joint Committee, like the special audit, are very good and I welcome them. Without going into the details of the whole question, I beg to submit that so far there has been no clear thinking on the subject of company law administration or on the working of the company law. Instead of having this piecemeal amending legislation, there should have been a comprehensive company law to be codified at the earliest opportunity.

Sir, we have seen that in a country like ours with a backward economy, where capital is very shy and the outlook is orthodox, a defective company law does not help the proper growth of joint stock enterprise or capital formation on a joint or co-operative basis. So, we should have a foolproof company law where the interests of the small investors and shareholders would be properly safeguarded.

14.38 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

We see that in this country the economic power is concentrated in the hands of a few business houses and at the same time we see that hundreds of fraudulent companies grow like mushrooms and have premature deaths leaving the shareholders to their own fate. At the same time we see that in the post-independent period there have been several cases of upstarts with absolutely no financial or business background shooting up overnight and prospering under the patronage of the ruling party However, an attempt has been made in this amending Bill to provide for more governmental interference in the affairs of the company as is evidenced by the provision for special audit etc. A the same time I would like to point out that mere provision in the Act does not help; it all depends on how it is actually administered. Lately we have seen the clear example of the failure of authority in realising their responsibility at the closure of the Palai Central Bank. So, mere inclusion of government power in the Act does not help in the matter; it should be properly administered. Rather we find this increasing scope of bureacratic interference, at times, leads to state capitalism. I do not say that state capitalism is a bad thing. It is a good thing provided it is properly worked. There are so many government companies. Also one or two previous speakers spoke about the government companies. I do not think the Minister of Commerce and Industry would boast that conditions are absolutely ideal and they do not need any improvement. The conditions of the workers have to be improved. So many other things have to be looked after. At the same time, we find that small private companies also control the working of large public limited companies in the shape of managing agents. They are able to do it either by jugglery of interpretation of the existing Companies Act or by hook or crook. I would like to ask if this amending Bill has all the provisions so as to plug all the loopholes, that are found in the working of the companies Act.

We also find often that even though instances of violation of the provisions of the Company law, mis-utilisation, mis-appropriation of public money and *malafide* of managing agents have been proved to the hilt, no action could be taken by the Company Law Administration. They plead their complete inability to deal with such matters.

They never come to the rescue of the shareholders. I personally feel that this Company law Administration office is just an ineffective glorified office. We thought there would be effective provisions in the amending Bill for the proper functioning of the Company Law Administration. But, this amending Bill has completely belied all our expectations.

I do not like to misuse my privilege But, I feel it my duty that I should point out the nefarious and dubious deals of B. Patnaik & Co., managing agents of the Orissa Textile Mills and Kalinga Tubes and other Kalinga concerns. As final decision has been taken by the Company Law Administration regarding their working, there is no harm even if I comment on their finding. Mr. Davar, Chartered Accountant, appointed by the Government of India Company Law Administration submitted a lengthy report pointing out the various contraventions of the provisions of the Company law, misappropriation of public funds, misutilisation of staff provident fund and *malafides* and other serious charges against the managing agents. They have also cited various instances where responsibility, nay criminal liability for the colossal loss of Rs. 43 lakhs could be squarely placed on the shoulders of the managing agents. Prior to this report, the Director of Industries, Government of Orissa, submitted a report and attributed a loss of more than Rs. 1 crore to the negligence and *mala fides* of this managing agent. This is a sordid state of affairs. But we are so sorry to find that the mantle of protection was thrown to safeguard the interests of this managing agent. The Company law Administration, in their report, said "no action is considered necessary." In the course of the debate in the last Budget session, while taking part in the discussion on the Demands for the Commerce and Industry Ministry, I pointed out these various irregularities and illegalities committed by the managing agent and the hon. Minister for Commerce and Industry promised to look into the matter. Members of Parliament from Orissa, irrespective of political affiliations, met the Minister in deputation. The Orissa Government which holds substantial shares in the Orissa Textile Mills and other sister concerns of Patnaik and Co and have given financial aid in various shapes, also protested against the continuation of the managing agency. So also the Maharashtra Government, because the Maharashtra Government also had some substantial shares; so also the L.I.C. and other shareholders. But, to the surprise of everybody, the managing agency which expired on 15th of August, 1960 was renewed for reasons unknown

Shri Kanungo: Were not all these points placed before the Commission and considered by it.

Shri P. K. Deo: All these points must have been considered by the Commission and the hon. Minister is in better possession of facts. He can enlighen the House later on the subject. At the same time, from the affidavit filed by the shareholders and the Government of Orissa, we find that an influential member of the Company Law Advisory Commission is in the employment of B. Patnaik & Co. as Auditor of the Kalinga Tubes which is a sister concern of Patnaik & Co. If it is not a fact, I want a categorial reply from the Minister that I am stating falsehood here.

Shri Kanungo: As this is a reflection on a Member of the Commission, I may be permitted to say that no Member of the Commission is employed by anybody. If, in a professional capacity, anybody gives professional service, that is not considered as employment.

Shri P. K. Deo: I do not agree to that view. I fully associate myself with the view of Shri Asoka Mehta that this Commission should be a statutory body, and.....

Shri Kanungo: It is a statutory body.

Shri P. K. Deo: The members should be of the calibre of High Court Judges.

Shri Kanungo: There is a High Court Judge as Chairman.

Shri P. K. Deo: They should not have any dealings with any company in which they are interested or whose fate they are going to decide. Whether their association is in their professional capacity or in their social capacity, it is all immaterial to me.

Lastly, I would like to associate myself with the Members of the Opposition that contribution to political parties should be prohibited by legislation. What is a joint stock company. It is an association which is formed by the shareholders of different political and ideological persuasions, coming together for a common business venture. The purpose for which a company is formed is clearly stated in the memorandum of association. I do not think any memorandum of association of a company has mentioned that a certain percentage of the profit or a certain percentage of the assets is going to be paid for the promotion of any political party. It was never the part of the business of a company to subscribe funds to any political party. The argument placed by some friends in the Treasury benches is that a company could contribute to any political party by passing a special resolution. The political parties may raise funds by approaching the various shareholders in their individual capacity, and we do not object if they pay, but asking a company to contribute to a political party is absolutely wrong. If we stretch that argument further, we can say that a company can pass a resolution that all the votes of the shareholders should go to the Congress Party. I do not think a resolution of this type can be passed by any company. So, it is absolutely wrong to say that a company by getting a resolution carried by brute majority can decide that the funds of the company should go to a particular political party.

My hon. friend Shri H. N. Mukerjee referred to the annual report of the Tata Iron and Steel Co, where they have mentioned that more than Rs. 10 lakhs were contributed to the Congress Party in the 1957 election. We find that some companies are straight-forward, have the boldness to publish this party contribution in their annual report, but there are several others who pay this contribution by backdoor methods and try to adjust this payment by maintaining duplicate accounts or by resorting to various dubious methods. While making the payment it is but natural for them to expect some favour. To say that these payments are made without any obligation is absolutely wrong. My hon. friend, Shri H. N. Mukerjee, has ably dealt with this matter, and quoted from the historic judgment of Justice Chagla who said "this evil was likely to strangle democracy in its cardle."

The sapling of democracy has yet to take firm roots in this country, and if economic or money power is going to dictate the pools, then only God can save democracy in this country. I appeal to all the Members of the House not to be a party to a decision by which companies are asked to pay to a political party and be the laughing stock of the whole nation.

Mr. Deputy-Speaker: Shri Khadilkar. I will request hon. Members to restrict their remarks to 15 minutes. Things have changed overnight.

Shri Khadilkar (Ahmednagar): The Bill to amend the Company Act of 1956 has not come too late. A previous speaker said that when we were dealing with legislation regarding corporate enterprise, we should take a little longer time and give more serious thought to it. But I submit that this legislation has to keep pace with the changing world of business in this

country, and take note of the social and economic objectives that have been placed before us; it should see whether the business world in this country is falling in line with those objectives, or by some method, trying to thwart the national effort.

I wecome the Bill so far as it goes, but I consider that it does not go far enough. When the Act was first passed in 1956 fears were expressed that it might adversely affect the development of corporate enterprise in this country, but if we look at the report we find that particularly since the beginning of the Second Plan, the field of private enterprise has been expanding faster. Today, the total investment in this field is Rs. 1500 crores or so, and the total number of registered companies is about 30,000. This clearly proves that with the development effort private enterprise is getting greater scope for expansion, and perhaps in the long run they will have a greater grip on our economy than desirable.

The reason for this legislation is clear from the Sastri Committee Report; it is much more clear from the Company Law Administration's Report for 1959. Many people who are defenders of private enterprise have said here that by bringing forward this Bill and making certain provisions we are encroaching on the freedom of private enterprise. There are quite a few who would like to take up the same position as Shri Masani, but they do not have his courage of conviction to state that this is an enroachment and that it must be fought out I therefore welcome the stand of Shri Masani and congratulate him. But what is it that he is defending, what sort of world?

We have got all sorts of political animals in this country having different labels, but in this changing world of Indian finance or private enterprise, we have different types of business animals, if I may use that expression. If we glance through this report and consider the number of prosecutions that took place and the number of convictions that resulted, we will know how far they are correct in pleading that everything is being done according to law, that there are no malpractices and no necessity of legislation to regulate private enterprise in this country. For instance, I might just quote from *The Third Annual Report on the Working and Administion of the Companies Act*, 1956. At page 70 of this report, we find:

> "During the last three years, the Department had instituted and dirested 5,110 cases against companies and their officer, out of of which 3,500 cases resulted in conviction of the accused.".

This clearly proves how the law is being respected by that honoured commercial community in this country, or the people who are operating in the field of private enterprise.

Mr. Deputy-Speaker: If all this world were a jungle, and all of us were animals, how did these honourable businessmen crop up?

Shri Khadilkar: I was just mentioning that people style us as political animals. So, if I were to use the same analogy and say that there are some business animals, and there is a certain amount of warfare of the jungle going on between them, as I shall presently point out, I would not be far wrong. But, leaving this aside, if we take the figures for 1958-59, we find that a total of 1,308 prosecutions were launched for violation of the provisions of the Act. This clearly proves that all sorts of methods, subterfuges and tricks are used day in and day out by private enterprise with a view to make profits. This is a very dangerous phenomenon from one point of view.

I do not maintain for a minute that there should be no private enterprise in this country I think that it has its its useful place in our economy as a

[Shri Khadilkar]

component of our economy. But it must be clearly understood that that component part of out economy must function within certain regulations. It must be disciplined, in a way consonant with out national or social objective. But I know of several companies and their managements, and of how the Company Law Administration had to investigate into their affairs. I do not want to name them. But I would like to mention one particular name, which has been mentioned in the report, making a special exception

At page 73, in para 127 of the annual report, we find:

> "As a matter of topical interest it may be mentioned that the number of prosecutions launched during the year against companies belonging to the Mundhra Group and the officers of those companies was 66. Including the 7 pending cases of the previous year against this group of companies, in all 73 cases were instituted by the Administration in the various courts of law; out of these, 64 cases ended in conviction and the other 9 were pending in the courts at the end of the year. Thus, during the last two years since the affairs of the Mundhra Group of companies came under public notice, 108 prosecutions were instituted against the companies and officers of this Group in various courts of law. Out of these 68 casese were against the officers and directors of companies belonging to the group and 40 cases against the companies themselves. All the 99 cases disposed of during the last two years ended in the convictions of the companies or their officers.".

This group came into notoriety or into the limelight because of some accident which we see occasionally taking place in the financial world and some enquiries were instituted. But what is the fate of Mr. Mundhra, while 99 others had to be convicted? I learn on good authority that today Mr. Mundhra is at large, and he has made quite a few millions very recently. So, after all this rigid application of the rules by the Department, there are people in the business world and in the field of private enterprise who still have enough scope to have their adventures, irrespective of whether they benefit the community or the shareholders or those who came forward and stake their money, with a view to gain some dividends. This is a very important factor which must be borne in mind at this juncture.

Only yesterday, I was discussing with my hon. friend Shri Asoka Mehta as to how many of us really knew what this business world of private enterprise was, how companies were being managed, and how certain deals took place about which very few of us knew anything. It is only as a result of what little comes to light sometimes, and that too because of the Government administration, that we feel that something ought to be done to protect the poor shareholders about whom so much was talked about, such as his freedom and other things, by my hon. friend Shri M. R. Masani. He was saying that these compaines were functioning democratically. But if we look at their management, we find that a few individuals in a company are dominating the whole thing. They administer not only one company but several companies which are inter-linked. Thus, a situation has developed in this country wherein only half a dozen business-houses can promote a company and start a new business. The smaller people with very little capital at their back have no field, unless they associate themselves with some big and established *entrepreneur*. Therefore, with a view to giving greater protection to the smaller investors who ought to be encouraged more and more to invest, in order to encourage the saving habit and get some return out of it, every measure should be taken to protect their interests, and they should not be left at the mercy of

the so-called democracy which we are told is prevailing in the sphere of company affairs. This must be clearly understood, if we are to understand anything out of this annual report. I do not want to touch the other aspects of this report, but I would just make a brief reference to certain points.

Looking to this experience, I expected that certain further steps would be taken. The first measure which wa placed before us had as its objective the gradual elimination of the managing agency system. I thought it would be brought nearer. But so far, it has not been brought nearer at all by this Act, I thought also that the myth of private and public companies, would be done away with, and all of them would be brought within the purview of this Act, and only genuine private companies which the Company Law Administration finds are genuinely private concerns and have no inter-linking, would be exempted. But we find in this country today that a few private limited concerns are dominating the business world particularly in regard to financial control. In Britain, only such companies as are genuienly private companies are excluded from the purview of the Act. The same thing ought to have been done by this legislation also, but I find that that has not been done.

Then, there are certain restrictions placed on the transfer of shares. They are good as far as they go, but a new evil is cropping up, and I would personally appeal to the hon. Minister of Commerce and Industry to look into this. hWat is this evil. We have recently seen on our side, particularly on the Bombay side, that new companies are formed, prospectuses are issued, and if there is a foreign collaborator, a big advertisement is issued, and subscriptions are invited, and sometimes, the invited capital is over-subscribed. I know of one such concern with foreign collaboration, where the capital was over-subscribed to the tune of eighty times. A huge amount was used by the promoters and they earned a few lakhs by way of interest. After three months, when they decided to allot the shares of this company, they did not allot them to people who had applied for 50, 60 or 70 shares—each share was of Rs. 100—but they had full discretion to allot them to the higher bracket people who had applied for 100 shares and more. The result was that before the allotment took place, the market value, the speculative value, of the share was more than 2½ times the original value. So the promoters took advantage of it and reaped the highest benefit out of it.

I made enquiries as to how to obviate this evil. This is not a case of only one concern. There is another, a big rayon concern on our side. The same trick has been played there with big names being associated with it.

Mr. Deputy-Speaker: Are all of them on the hon. Member's side?

Shri Khadilkar: I have seen it from Bombay reports. These two concerns were promoted from Bombay. Therefore, I know first-hand about them. From this report, it seems that Calcutta is worse. I do not want to quote it, but in the report it is mentioned that so far as companies' affairs are concerned, there is greater concentration and malpractices are much more rampant in Calcutta than in Bombay. But I am saying that this is a new thing.

An. Hon. Member: Comparisons are odious.

Shri Khadilkar: In this rayon concern, the share value was raised three times. I asked a freind of mine who was operating in this field, but who has a little conscience, as to what is the remedy for this state of affairs. If I apply for a share, my money is blocked up for three months. Then I am told that the allotment is not there. On the Stock Exchange, the share is quoted and moneys are made. The

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promoters are free to promote another concern with foreign collaboration. He suggested—and I would like to pass on the suggestion to the hon. Minister—that some sort of restriction on transfer of such newly-formed company shares must be imposed; otherwise, they are going to take advantage of the present situation, particularly the attraction of foreign collaboration. Unfortunately, even today if there is a foreign collaborator, many people with small means come forward stipulating to earn a little more dividend and put their money. Thus money is locked up, speculation take place somewhere else and the tycoons of industry take advantage of this position. Some remedy is immediately called for for this purpose.

So far as the right to property is concerned, yesterday my hon. friend, Shri M. R. Masani, made much of the sacredness of property. I have also read the Constitution. That right is certainly there, but it must be viewed in the broad context of the social objectives placed before the country by the Constitution. It is not an absolute right. So when he was pleading that by this legislation we were encroaching upon the rights and freedom of private enterprise, I think he was living in the Victorian era and not in the mid-20th century, where the concept of private property has undergone a big change. It is not *laissez faire* as it once upon a time was, having a place of honour in society. In fact, I would like to tell my hon. friend that people in the west, particularly the economic *pundits* in America, who are seeing round the affluent society are also saying that after looking to the adverse results of this affluence on society as a whole and the new imbalance—an affluent society at one end and squalor at the other—that is being generated, this type of organisation is not beneficial either to democracy or to property, as we understand it. So they are pleading again and again—and very ably pleading—that this concept of property cannot hold ground any longer. It is really unfortunate that in this country and in this House some hon. Member should say that this legislation is encroaching upon the liberty of the private enterprise people.

Mr. Deputy-Speaker: The hon. Member has already taken 20 minutes.

Shri Khadilkar: I have only two more points to urge. This is a technical subject and hence takes a longer time.

There is a great hue and cry regarding independent audit. It has been ably argued from the other side as well as by some Members from this side that this is called for because the administration report clearly shows that so many subterfuges and tricks are being used and the provisions are by-passed. So the only method to bring the culprits to book is by an independent audit. Of course, a section of the Press has raised its voice against this. Yesterday, Shri M. R. Masani also said something about it as the spokeman of private enterprise and took serious objection to it. My personal feeling is that the only provision in the new measure which goes in some measure to meet the situation at least at the present juncture is this provision for special audit. It should be retained. As social phenomena are changing, as social background is changing, as we are changing fast with development, perhaps this legislation would be found to be far short of the needs of the times and Government would have to come forward with a new measure.

Another point on which many people have expressed their dissatisfaction is the one regarding contributions to political parties. I am very sorry to say that this point has been looked at from a party angle. I do not want to accuse the Congress Party or the Swatantra Party of getting some money. The issue should be looked at from a higher and moral plane, a

democratic plane. The question is whether in the present situation we should invite private enterprise people to pay so that ultimately these people, so to speak, influence the tune of Government directly or indirectly by such contributions. This is one aspect. Another is that all political philosophers agree that democracy as a system has within it an element of corruption. You cannot eliminate corruption. If you want to have democracy, you pay the price of democracy with its element of some corruption, favouritism and nepotism here and there. Let us bear this also in mind. We are an infant democracy. Would it be desirable—I would make an appeal to the Minister for whom every one of us has got the highest regard; he is a man of conscience which is very rare in the political field; the conscience of everybody in the political field becomes more elastic, but he has kept it up and he tries to act accordingly—would it be desirable to allow corporate finance to make contributions publicly to political funds? I say this not because it has been brought forward by the Congress Party, this party or that party. The only question is: would it be desirable and healthy from the point of democratic growth in the country?

Reference was made to the fact that even the Communists get some money. I do not know whether they get it or not. But in this world now the time has come for a particular ideology which is a crusading ideology to show courage and say, 'Yes, we take it for this particular ideology'. That should not be equated with the contributions we are allowing private enterprise, the big financial houses in the country, to make to party funds within the framework of our democracy. Therefore, I would say, as Mr. Justice Chagla had said, that it is an evil. Of course, in political life, we have to choose the lesser evil. In political life you have to take the lesser evil as your guide because there is no absolute good in social and political life anywhere. Therefore, I would appeal to the hon. Minister not to fall a victim and lower the prestige of the party which he represents as a Minister on the Treasury Benches.

Mr. Deputy-Speaker: Shri Heda. I would repeat my request that hon. Members now should try to condense their remarks within 15 minutes.

Shri Heda (Nizamabad): Mr. Deputy-Speaker, Sir, this amending Bill is very timely because the economic climate of our country has improved and a greater number of companies are coming forward and new issues that come up in the shape of new companies are being subscribed repidly. Just now my hon. friend, Shri Khadilkar referred to that aspect—though he will excuse me if I say with half knowledge—that in the issue of new capital so many malpractices are taking place. I would come to it later but the fact indicates that there is greater reception for the new companies and that new capital is being ubscribed in no time. This is a good situation. The responsibility of the Government in regulating the companies and their actitivities in various aspects of administration of company law increases and, therefore, this amending Bill has come very timely.

Shri Asoka Mehta yesterday gave the impression that such an important Bill is being rushed through. I do not know why he should have felt that this Bill is very much being rushed through and that we should have taken matters rather easily.

The House knows that we passed the Companies Act in 1956, as it is today; and the Sastri Committee was appointed on the 15th May, 1957. It took about a year to give its report and that gave the data for this Bill; and this Bill was introduced on the 1st May, 1959. It was referred to the Joint Committee on 6th May, 1959. The Committee reported on the 12th August, 1960. The Joint Committee had 27 sittings and there were 64 memoranda and representatives of 14 associations gave evidence. All this

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was very helpful and important. Therefore, my impression is rather otherwise. I think no legislation in this Parliament from its very inception was so systematised as this was done. At no stage was there any question of rushing through. Rather there was a little delay here and there. Therefore, I feel that this is an important legislation that we are embarking upon systematically and that there has been no hurry.

Government, particularly the hon. Minister, took the representations and evidence so seriously that various amendments from the Government side came before the Joint Committee. I do not remember exactly the number of amendments; but they must be over 200 or so. They were in such a great number and they changed the shape of the Bill so radically that, if you have a look at the original Bill that was presented to the House and the Bill that has emerged from the Joint Committee, you will find that this is a far bigger step than the step that was taken first. If we had departed from the recommendations of the Sastri Committee in some respects we do not regret it. We did it deliberately after considering the pros and cons.

When such improvement has taken place in the country and the economic climate has bettered and a greater number of companies are coming forward, two different suggestions have come forward. One is from Shri Asoka Mehta and the other is from Shri Masani. Shri Asoka Mehta would like us to have a National Investment Corporation. His idea seems to be that Government should sponsor this Corporation; small investors would subscribe to it and thereby they will not be put to the same difficulties which Shri Khadilkar referred to just now. I think this would not be the right step. If such a Corporation comes into being and Government starts subscribing to the new issue that would be definitely showing a sort of favourtism and sharing the issue at its initial stage. Let any particular company come forward and make good progress and good profits which will be reflected in its price in the Stock Exchange and then, as it happens today—as the LIC funds are being inveted in public companies—let them subscribe. The investment of the LIC funds means that the money of the policy holders who are smaller men is being invested. If we have this organisation as contemporary sort of organisation, again, that may not be good and it is just possible that after some time Shri Asoka Mehta may come forward and say that Government has so much of powers. He does not want the subscription to political parties by the companies; but he wants to give this Corporation into the hands of Government and thereby have very good control to a certain extent over the new companies. This is a sort of contradiction in thinking and I think the present atmosphere may be maintained.

The second remedy that has been indicated by Shri Masani is entirely different. He wants that there should be less regulation over companies and that the companies would take care of themselves and they will go ahead. As Shri Morarka rightly pointed out, control over companies is there everywhere, whether in the United States of America or in England or in any other country where there are both the private and the public sectors. The point is how much control should be there. This depends upon various factors, one of them being, as referred to by Shri Khadilkar, honesty among the business community. If this corporate sector is more honest then the result would be less resort to controlling the corporate sector. We have examples of misbehaviour in the past; and so Government should take more powers and regulate them more rigidly.

Recently, I had an opportunity to go to Japan to attend the Inter-Parliamentary Union Conference, as a Member of the Indian Delegation.

Naturally, I tried to study their economic fabric. One of the five reasons that have contributed to the Japanese speedy recovery and their great economic and industrial improvement is the honesty of the business community. Their general idea is that everybody should try to pay to the last pie. The phenomenon that we find in India is this. If a person, when asked as to how many times he has gone into insolvency, says 2 times in his life, it must taken to mean that he has got 2 millions. If he has gone 6 or 7 times, it must mean so many million. That is only in India. It all depends over the control of Government over the corporate sector; it depends upon the quantum of honesty that is available in the country.

Sometimes, some people rather misbehave so badly that Government have to take more and more power. I am one with Shri Asoka Mehta and Shri Khadilkar in voicing this feeling that Government have taken more powers and are taking more powers than they are using and that they should rather fully utilise the powers that they have. The powers they have taken are on good grounds. They should be used and no leniency should be shown towards those who are not behaving properly. The various other measures and controls shou'd be used towards a common purpose, to create a better moral standard among the corporate sector. If Shri Masani wants that there should be more freedom for the free enterprise, he should first try to have better moral standards in that sector.

Shri Masani said—he has been saying it outside also—that the Government behaved as if only the Government knew what was good for the common man. The common man is represented here by the Members of Parliament; he is one of them. The Government represents the majority of the Members of Parliament and certainly represents the common man. The common man uses his common sense and sends right representatives. If the Government behaves as if it knows what is good for the common man, there is nothing wrong about it. But his contention that it behaved as if only the Government knew the good is not correct. It takes cognisance of what he and others say and gives them full consideration. If he finds that he is lonely on many occasions, he should not find fault with the Government; he should rather reconsider his own ideas and if a better moral standard is created there would be less regulations than now.

The contribution by the corporate sector to the political parties has been discussed in great detail. Let us be clear in our minds what we aim at. Should the candidates bear the entire election expenses themselves? Then, only the capitalist candidates would be available. Whatever be the popularity of a candidate or his party, the minimum expenditure for election as a Member of Parliament is not less than Rs. 5,000.... (*Interruptions.*) The real expenditure is much more. My point is this. If we feel that the candidates should not bear all the election expenditure, then we have to get contributions. We are told that we should take contribution from the persons and not from the companies. Why? Taking contribution from a private person is a greater wrong. Is there no difference in X person contributing Rs. 5,000 and X company contributing Rs. 5,000? Company represents so many shareholders; many of your constituents may be there. Therefore, you may feel that you have a right to some funds of that company. But when you get contribution from a person, there is a natural tendency or feeling of obligation to that person, a greater obligation to that person than to the company. As Shri Khadilkar said, we should not take a narrow view. Let us not think of who is ruling today. After all we are a democracy and the parties may change their places. A Member from the Opposition should not feel that today some Party is in office and so

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we should dry its sources. If an Opposition Party comes to power, it has to face the same problem. Again, the finances that any political party, Congress of Opposition Party, gets from the corporate sector would bear a very small proportion to the total contribution.

Shri Naushir Bharucha: Why not neglect it?

Shri Heda: There is no point in neglecting it. Does it improve the situation in any way? I think this contribution would not be even five per cent of any political party's funds. To make much ado about this, I think, leads us nowhere. Simply because people are in opposition, they like to have some cheap argument that goes home to the masses. Shri Morarka challenged them specifically and asked: give us an instance where the party was paid money and on account of that any favour was shown to him by the party in power.

Shri S. M. Banerjee: I hope that my hon friend would remember that in this House it was said that the Tatas contributed Rs. 10 lakhs and in return got Rs. 10 crores as loans. It was not contradicted by any one.

Shri Kanungo: It is all wrong.... (*Interruptions.*)

Mr. Deputy-Speaker: If it was not done before, it has been done now.

Shri Heda: What are he facts? I do not know whether Tatas are supporters of the Congress Party..... (*Interruptions.*) I do not know any of them personally but what I know leads me to think that they are the supporters of another Party.... (*An Hon. Member:* Swatantra Party?) Therefore, to say that Tatas are supporters of the Congress Party or this party or that party is not good. I would not like to enter into such cheap argument. Now, Sir, what happens? In the last election I had to face a trade union leader as my adversary. He had a number of cars which belonged to certain companies and I was surprised. He was a man who can give a strike call any moment. After the election was over, I had a chat with him and asked him how it happened and he said that they did these things. Such cheap arguments, therefore, lead us nowhere.

Quite often we in the Government Party feel that the hon. Members of the Opposition are in a more advantageous position. They can influence the Governments far better than we do. If it is really the case that the corporate sector makes contributions to the political parties in return for favours, it is our duty, the duty of Members belonging to all the parties, to see that Government never uses its discretion in favour of any company or person simply because it has paid contribution. The name of Shri Mundhra was mentioned more than once and it was said that he paid Rs. 1·5 lakhs for elections in U.P. in 1956-57. Was any consideration shown to him?

Shri S. M. Banerjee: Because he paid less.

Shri Heda: Was any consideration shown to him. A businessman will never pay unless he thinks it is adequate. Firstly, it was not a bargain and, secondly, if it was a bargain, if it was less, he would not have paid at all. Therefore, to say that certain contributions from the corporate sector come forward only on this ground is not correct. Sir, if we want to develop democracy as we are doing and if we want members belonging to the poor strata of society or the middle class to come forward and represent in this Parliament, then I think this is a wholesome provision in keeping with other democracies in the world and therefore we should allow it.

Shri Achar ((Mangalore): Mr. Deputy-Speaker, Sir, I would only like to make a few observations regarding

the drafting and the way generally these Bills are shaped into. I remember, yesterday, the leader of the Praja Socialist Party, Shri Asoka Mehta also referred to this aspect of the question and said a few words about it.

So far as the Company Law is concerned, an exhaustive Bill was passed as late as 1956. It is a fairly big volume, and as lawyers the first thing we felt was that it had been completely overhauled and the arrangement also was of an altogether different nature. So one had to get familiar with this new mode of presentation of the whole law. Hardly a year passed after such an exhaustive enactment was passed and placed on the statute-book, and within that period the Vishwanatha Sastri Committee was appointed. It makes one think as to why within one year of the passing of such an exhaustive law it was thought necessary that a committee should be appointed under the chairmanship of a retired High Court Judge. I find from the Objects and Reasons that in May 1957 the Government appointed a committee under the chairmanship of Shri A. Viswanatha Sastri, a former Judge of the Madras High Court, to examine the structure of the Act as well as its content with a view not only to remedying its defects and deficiencies but also ensuring better fulfilment of the purposes underlying this Act. I was just wondering whether hardly within one year such defects could be found out.

Sir, we have got the earlier instances of enactments which we have in our statute-book. Take, for example, the Indian Penal Code. It is as old as hundred years. Even now we find the drafting and the way it is presented is almost ideal. Very rare occasions arise for amending this Act. What we find now is that hardly a year passes and we find that there are structural defects and defects in contents with the result that we appoint a committee with a view to not only removing the defects and deficiencies but also ensuring better fulfilment of the purposes underlying the Act. Does it mean that within a year we have found the drafting is so bad that the purposes which we intended are not being realised.

I am making these observations only from the simple point of view that we have to take a greater care. Sir, I have not much experience as a Member of this Parliament, but I have been in one or two select committees. The Speaker also raised this question yesterday and asked whether they had any suggestions to improve the mode of drafting and giving effect to the intentions of the legislature. I would like to say a word on that aspect because I have felt that the way it is drafted and brought up before the Parliament does not seem to be very satisfactory. What I have found in the one or two select committees that I have served is, the committee comes to a definite conclusion and it wants to give effect to the intentions of the legislature, a draft is brought forward the very next day giving it some shape or the other and adopted. Later on we find, as a matter of fact, when the judges interpret the provisions they find that the provisions are not really properly drafted. I would like to make one suggestion with regard to this point. What I would say is, when the Select Committee meets and comes to a conclusion there must be a greater care taken.....

Shri Yadav Narayan Jadhav (Malegaon): What about the pleaders? They must leave something for the pleaders also.

Mr. Deputy-Speaker: In the select committees where the hon. Member had an opportunity to work did he not have a chance to look into the draft report?

Shri Achar: I was not in this Joint Committee. I was referring only in a general way.

Shri Morarka: He is asking about the other committees where he served.

Shri Achar: What I say is only this. The committee meets and it tries to give some shape to the Bill. The members in the committee want to give effect to the intentions of the legislature and they come to certain conclusions. But while actually drafting the Bill and giving it a final shape it does happen that the Bill does not give effect to the intentions of the legislature.

Mr. Deputy-Speaker: That is exactly what I am submitting. After the drafting is done, the report has to be placed before the select committee for approval of the hon. Members, when they have a chance to see whether their decisions have been correctly reproduced or not.

Shri Achar: I do not assume that I am such an expert in that matter, that within that limited time I will be able to correct the draft. It is not such an easy matter. Of course, so far as the members of the committee are concerned, they try to do it, I do not deny. But what really happens is, even a lawyer of some standing and experience will not be able to see every aspect of the question and the interpretations that are likely to be given later on. It requires a certain amount of care and experience.

Shri Tangamani (Madurai): Is it the hon. Member's suggestion that members of the select committee merely okayed a draft report which was submitted to them?

Shri Achar: I did not suggest anything of that kind.

Mr. Deputy-Speaker: Of course, not about the report where the hon. Member was one of the members of the select committee.

Shri Achar: I am making these submissions because we find that judges of the High Courts and even of the Supreme Court have remarked that in many cases the drafting or the intention of the legislature is not clearly expressed in the enactments. We do not find such remarks with regard to earlier enactments. I took the example of the Indian Penal Code. That means greater care was paid to it and it was drafted with greater care. My only submission is that so far as our present Bills are concerned greater attention should be given to them and greater expert knowledge must be brought into them so that our Bills may be drafted in a better manner. Specially with regard to Select Committees, if the committee comes to a certain decision, even if the drafting is done by an expert, naturally if it is done in a hurry, it does happen that the Bill is not given the shape which the legislature intends.

Let us take this Companies Act. The whole Act has been completely recast and given a different shape altogether. Once again, I find in this report, they are saying, we would have put this matter in a different manner and arranged it better, but we do not want to do it because once people are accustomed to use this Act in a particular manner, if it is changed, it will bring in difficulties. That is what the Viswanatha Sastri Committee's report says. It is only from that point of view they say they do not want to interfere with this enactment. The subjects are arranged in such a manner that it is difficulty to grasp the entire law. If you want to have a clear idea on a particular subject, you have to look into the Act at different places. Is that the ideal way of passing an enactment?

16.53 hrs.

[SHRI MULCHAND DUBE *in the Chair*]

That the Act is defective is very clear from the fact that hardly within a year, this committee was appointed for the purpose of giving it

a new shape to avoid the difficulties that have arisen. If we change it because our policy has changed, that is an entirely different matter. So, if the intentions of the legislature are not given effect to, something should be done with regard to better way of drafting to bring out the intentions of the legislation.

I come to a subject which the PSP leader referred to as judicial leniency. Of course, there is a tendency now to infringe upon the rights or liberties or independence of the judiciary. I would say it is not a question of depriving their independence or removing their jurisdiction to a certain extent. Apart from that, the criticism now levelled is there is considerable judicial leniency. Even if strict punishment is provided for, there is a tendency on the part of judges to lessen the punishment as much as possible. Shri Mehta quoted one or two instances to show how this leniency expresses itself. One instance he quoted which is referred to in the company law administration report also is, in a case where a fine of Rs. 1,000 was provided for not filing the special resolution for appointing a relative of a director to an office of profit; the court punished the persons concerned with a fine of one rupee only for not filing such a resolution. This, he argued, is a case of judicial leniency. Of course, he gave one or two other instances also. The real point is whether it is a proper punishment or not. The argument put forward was that such powers must be removed from the courts and should be given to some administrative tribunals. I submit, it is not a proper attitude towards judiciary. In one or two instances, to remedy this we had introduced some Bills providing some minimum punishment. If the Legislature think that the judiciary is lenient and is not giving the necessary punishment, they can say "we will prescribe a minimum of so much fine and so much imprisonment". Added to that, the judges can be asked to give their reasons. I can understand all that. If you adopt any other course, it would amount to interference with the judiciary. After all, in each case there are facts, equitable grounds, mitigating circumstances and so on. They have all to be considered before a judge can give his judgment. If the Legislature will not trust the judges to that extent, I do not know how the administration of judiciary can be carried on. So, if it is considered that judgments are too lenient, we may provide for a minimum punishment instead of depriving the judges the right to apply their judicial mind and give their verdict.

Then it was said that this enactment goes against private property. There is no substance in that argument. So far as the right of private property is concerned, as stated by other speakers, it is not an absolute right. There are restrictions under the Constitution on that. Our land laws is one more instance of that. So far as the incorporated companies are concerned, they are an effort to develop our country economically and we find that these corporations have grown in this country just like in England or in America. It is also true that there are abuses by many persons who are put in charge of that. If the shareholder has got the opportunity to look into every matter and if he can also judge these matters personally, then probably there is no occasion for interference. But we know how the companies are working. After the shares are ubscribed, the persons in charge of that, sometimes directors, sometimes one managing director or managing agent, whoever is put in charge of it, gets complete control over the matter and often we find that such people are abusing their position. In view of that, we cannot permit the old policy of *laissez faire* to continue and it is absolutely necessary to have provisions to control that. That is the object of the enactment. So, I am in full agreement with the Bill, as it has come out of the Joint Committee. I approve of clause 70, which gives power to have an audit of the accounts and other dealings of the company.

[Shri Achar]

You have rung the bell. As everybody has spoken something about contribution to political parties, I would also like to say a few words on that question. I will not be an exception to the general rule. The first point that I would like to submit is, in any democratic country, there can be absolutely no doubt that every individual has got the right to contribute to any party he likes. Logically, I would like to say, if an individual has got that right, a group of individuals also should have that right. After all, a corporation is nothing other than a group of persons.

16 hrs.

Shri Yadhav Narayan Jadhav: Very good logic.

Shri Achar: Thank you very much. It is good logic at least. The next point that I would like to submit is, if all the persons in that group agree that such and such a contribution could be made, that is, if there is unanimity in the corporation, if all the shareholders agree and they want to make a contribution, I think, nobody can logically object to that.

Shri Yadhav Narayan Jadhav: A good suggestion.

Shri Achar: If there is a unanimous resolution, I would say it is all right. Just as an individual has got the right to contribute to whatever party he likes, certainly, a group of persons, agreeing with one another, have a right to contribute to any political party they like.

The next point would be, if there is dissension, what about the minority. I would say, if a substantial number of people in the corporation, most of the share-holders agree, I think there can be no objection. It is not this party or that party, the Congress party or the party in power. I would submit, if most of the people, more or less unanimously—there may be one perverse fellow who may not agree—agree, there may be no objection. If it is not so, if there is a substantial minority which objects, what the position will have to be, we have to consider. In that case, I think there may be some provision. Otherwise, how are you protecting the rights of minorities on other questions? I think, just as we are having for other minorities, some protection, some kind of a provision could be made. I would submit, there is no reason whatsoever to bar corporations, from that point of view, from subscribing to political parties.

Shri U. L. Patil (Dhulia): Mr. Chairman, I welcome the Bill as it has emerged from the Joint Committee. Soon after the passing of the Companies Act of 1956, it was felt that there were many defects in the working of the Act. The Shastri Committee was, therefore, appointed for the purpose of taking into consideration the working of the Companies Act and removing the defects, simplifying the procedure and remedying certain defects in phraseology. The Bill purports to do the same. At the same time, while improving the provisional Bill, the Joint Committee inserted certain new provisions in the Bill itself. Many of these new improvements, I welcome.

In our economy, corporate bodies, whether public or private, constitute a major part. But, the way in which the transactions and management of these corporate bodies was carried out became a matter of deep concern for those who were at the helm of administration and for the economists as well, as to how to manage these things. It is a well known fact that these companies managed their affairs in such a way that ultimately, they by themselves did not improve. Even after accumulating huge profits, taking advantage of the post-war situation, taking advantage of the various aids and facilities of loan, etc., extended by the Government, these companies diverted their funds, and

their profits in such a way that ultimately the poor shareholders', or even the employees' or consumers' interests were lost. We find these corporations accumulate huge profits. I was told that if there is a thorough enquiry into the profits of companies during the post-war period, it would be found that their profits have been more than their total original investments. But they work in a manner which is not conducive to the interests of the consumer, employee or shareholder. It is therefore in the fitness of things that the Government has come forward with this Bill to control the companies.

Under the Act of 1956 there were powers of investigation, the Registrar had certain powers, and action was contemplated by Government on the petitions forwarded by shareholders, but in spite of the powers, Government did not act effectively. So, I have the feeling that with the passing of this Bill also there will not be much improvement in the working of the companies because of lack of proper implementation.

I may give the instance of two cotton textile mills in my constituency, one at Amalner and another at Dhulia. I am referring to the Pratap Mills. During the last three years these mills have been suffering from mismanagement. Labour clamoured for a thorough enquiry into the affairs of the mills. Even the shareholders showed their deep concern. I myself wrote a letter to the Labour Minister to investigate the affairs of the company, but to my surprise, no enquiry was held. It was only after a year and two months that an enquiry was ordered into the mills at Amalner. During that period the Dhulia mills changed their management. The Government of Maharashtra, instead of taking over the mills, have, under the directions of the Central Government, given over the mills to the new management. It is not likely that in their tenure of five years the new management will look to the interests of the workers or improve the condition of the mills. They will only see to it that the largest profits are accumulated, and leave the concern in the same condition in which it came to them.

So, I submit that the mere conferring of powers on Government will not serve the purpose. It is only if Government acts, and acts swiftly, that we can gain the advantages envisaged by the improvements in the Bill.

A provision his been made regarding special audit. I welcome it. There were powers under the previous Act regarding investigation into the affairs of a company, but there was no such power of special audit. As a matter of fact, this power of special audit was needed as a condition precedent to a thorough investigation. An investigation can be directed after special audit also. In regard to this special audit, it was contended here in this House by Shri M. R. Masani that it would damage the prestige of the company itself, and sometimes, it might even tend to liquidate the company. My submission on that point would be this. When there are already powers regarding investigation into the affairs of the company, where is the question of the company going into liquidation or suffering in reputation by the mere fact that a special audit has been directed?

Here, I would submit that when a special audit is to be directed regarding the affairs of a company, reasonable opportunity must also be given. We talk of natural justice. Would it not be becoming on the part of Government, before taking any action whether by way of special audit or by way of investigation, to give an opportunity to that concern? At least a show-cause notice should be served on the company concerned, asking them why a special audit should not be directed. The time that may be given to the company for reply might be a very short one, but, nevertheless, such a provision is needed.

[Shri U. L. Patil]

There are some good provisions also in this measure, as, for example, the provisions regarding managing agencies. The restrictions on companies that are to be managed by these managing agencies have also been laid down. Then, there are restrictions regarding the emoluments of the managing agencies. Those are good provisions.

We find that in the present Bill there is also a restriction regarding the appointment of sole selling agents. As a matter of fact, these managing agencies coupled with sole selling agents, have tended to divert the funds and the profits in such a way as to concentrate them in the hands of a few people. From that point of view, it is but proper that this question of appointment of sole selling agents has been properly tackled in this present Bill. But here also, I feel that a show-cause notice is necessary before effecting any change in the status of the sole selling agents or before effecting any restrictions regarding their emoluments or before directing particulars regarding the appointments and terms and conditions etc. to be furnished.

While going through the Bill, I was rather puzzled by the amendment sought to be made to section 408 of the original Act, in clause 152 of the present Bill. That section deals with the appointment of additional directors. By the amendment that is now being proposed, it is now being provided that whereas formerly, 250 shareholders ought to present a petition to the Central Government before the question of appointment of additional directors could be considered by Government, now, it is enough if 100 members present a petition. The reduction from 250 to 100 is a welcome feature. But, at the the same time, according to the original Act, it was incumbent on the part of Government to appoint the two additional directors from amongst the members themselves. But, according to the present Bill, instead of 'two members', 'two persons' could be appointed, which means that outsiders also can be there. I would like to know why such a change has been effected. Were there any compelling circumstances to introduce foreign elements in the working of a company by way of appointment of these additional directors? If 100 shareholders prefer an application to the Central Government regarding the treatment that is given to them or regarding the mismanagement of the company, then it automatically follows that those persons are in the know of things, and they are in a position to remedy the wrong, and, therefore, it is but proper that Government, while appointing additional directors, should choose those directors from amongst the petitioners themselves.

My submission is that this provision is a direct interference with the administration of the company itself. As a matter of fact, such a foreign element should not have been introduced. There are no reasons given as to why persons are being chosen to be appointed as directors instead of the members themselves appointing directors. Therefore, this particular amendment sought to be made by Government should be done away with.

Much has been said regarding contributions by companies to the funds of political parties. Practically the opposition is unanimous on this particular issue. It has been submitted to Government that contributions out of the funds of companies should not be made to political parties. It will be found that even the intelligentsia in the country view this particular provision with suspicion. In fact, the judgement of ex-Chief Justice Chagla of the Bombay High Court was already quoted in this House. He also entertained some sort of fears regarding the healthy growth of our democracy as a result of this. My submission is that these contributions will necessarily be with some ulterior motives, directly or indirectly, and so in a way it tends to be tainted money. The

question is whether the ruling party or any other party should like to have such a provision in the Act itself so as to create a feeling of suspicion in the public who are out to see that there is a proper and healthy growth of democracy in the country. Apart from the question of the money tending to be tainted money, the question of introducing politics in the affairs of companies also arises as a result of this. Therefore, my submission is that this particular provision also should be done away with.

Shri Subiman Ghose (Burdwan): Mr. Chairman, Sir, comprehensive legislation regarding companies is a long crying need. I know that our Government have also felt the same way. We are also further told that exploratory work regarding this began as far back as in 1946, and on many representations being received, the Indian Company Law Committee under the chairmanship of Shri C. H. Bhabha was formed in 1950, which submitted its report in 1952. The main principles underlying that report were, in brief, (1) the maintenance of a minimum standard in formation and management, (2) provisions for the fullest disclosure in prospectus, (3) clear accounts, (4) procedure ensuring full facilities for shareholders to exercise their judgment, (5) provisions for detailed investigation into affairs whenever required, and (6) establishment of appropriate authority to oversee the administration of the Act.

With these principles in view, the company law was amended in 1956. But hardly a year elapsed when infirmities in drafting and in working were noticed and Government had to appoint another Committee, the Sastri Committee.

Now, Government has come with this amendment. My purpose in submitting all this is to show that if such amendments come in quick succession, it is very difficult to keep pace with them. I will be doing well in quoting some of the remarks of a Chief Justice that we are living in an over-legislated age when the complexities of legislation baffle the intelligence of the most devoted students of law. Legislative omnipotence of the modern Government has enabled them to invade every sphere of the citizen's life. Whether this legislative omnipotence was necessary for administering a welfare State like this or whether it was an elective despotism, it is not for me to say.

When we are coming in such quick succession with amendments we should be careful in our drafting and we should anticipate its working so that we might not have to come again, as early as possible, with further amendments. By doing this, we are practically indulging in wasteful expenditure.

I refer to the Statement of Objects and Reasons. It is said that this is being brought with a view not only to removing the defects and deficiencies but also to ensure the better fulfilment of the purposes underlying the Act. If that be the object and reason, I want to know which lacuna or deficiency this much-talked of political contribution fills or remedies what defect or what better fulfilment of the Act does it serve.

Uncharitable remarks have been made against the ruling party. I am not one of those who would cast such remarks because I do not want to wage a battle which I am destined to lose. Law or no law, whether I desire it or not, clandestinely or openly, the ruling party must get contribution. The companies must keep them in good humour. It is for this reason I do not want to make any uncharitable remark. But, what I am apprehensive of is this.

I waited with bated breath to know what is meant by a political party and political purpose. Has it been defined anywhere in this Act? I have looked from cover to cover and I have failed to know what political party or political purpose means. According to the Election Commission, there are 4 All-India parties; there are some State parties. There are other political

[Shri Subiman Ghose]

parties which are neither State parties nor All-India parties. A company will not be prevented from making contributions to those political parties, if political parties are not defined anywhere.

Then, one influential director with his satellites and sycophants wanting to fight a municipal election may give a political name to it and say that it is a political party and may take away Rs. 25,000 from the Company. Who is to prevent it? I want to know that.

An Hon. Member: That will go to his coffer.

Shri Ranga: A number of touts are sharing that between the Government and the Company.

Shri Subiman Ghose: If political party is not defined, if political purpose is not defined, then we would be opening flood-gates. I give another instance. There are some political parties. If we go to the farthest end of India, we find a political party which is communal in character and which has been brought into light by the abounding grace of the ruling party. That party was gasping for breath. If it is reared up by some of the companies contributing Rs. 25,000 each and assumes the stature it had before 1947, then I think the Government will not be called upon to deal with bilingual States or with a Punjabi Suba but to deal with the two-nation theory. Only for an ephemeral gain, the ruling party is going to do something dangerous to the interests of the country.

I have heard it said by the supporters of the ruling party and the burden of their song is that other parties take contribution. They do not straightaway say that in the interest or the betterment of the country, we are taking this contribution. One political party is doing a wrong and, therefore, the Congress Party is entitled to do it! This is a wonderful logic which I have not been able to follow.

Another argument is this. It is openly done; it is written in the balance sheet. I have never known in this world, Sir, that if a wrong is shown in the papers, it will become right! In that case, I do not think there is no necessity for the Immoral Traffic Act; it is openly done. If something is wrong, it is wrong for all purposes.

Again, some hon. Members support this and say: Have you got some concrete examples of favouritism shown because of the contribution? But may I ask them this question? Have we got any access to the Government papers so that we may cite instances? Who knows thousand cases may depend upon it? A number of permits may depend upon this contribution.

I want to draw the attention of the House to another thing also. I have seen companies flogging a dead horse. They want to set up a candidate knowing full well that he would be defeated in the field. A very big company was doing this sort of a thing in the last election though their candidate had not even the remotest chance of getting through in the election. This is wasteful expenditure. As I have said, if for some gains, the ruling Party enacts this law, it will be opening the flood-gate.

Another point which I welcome is the special audit. But even if there be 100 audits, there must be honesty about it. There were so many audit reports and balance sheets and so on Still, I do not know why Professor Kaldor was brought to India to find out if there had been tax-evasion to the tune of Rs. 200—300 crores. There was the audit and there was the balance sheet. Whether it is audit by the company or whether it is audit by special auditors it matters very little unless we can raise the standard of auditors.

In that respect, Sir, clause 70 also suffers from infirmities. I will give one illustration so that it will come

within the mischief of this clause. We have seen that big companies, to put in a good language, maintain underground militia. In other words, to put it bluntly, they maintain *goondas*, and their help is requisitioned at the time of emergency, particularly at the time of breaking the strikes. They are shown as employees in the different departments. If they do like this, I ask the Government to think whether that mischief will come within this clause. I have read it very carefully. That mischief cannot and does not come. They want a special audit. Instead of inserting so many clauses here if they had prevented the wasteful expenditure on the part of the companies that would have been better and the loopholes would have been plugged. As I said, we are keeping a loophole here through which the company will pass.

In this context, Sir, I request the Government to stop the contribution, raise the honesty and standard of the auditors, and I submit that Professor Kaldor is not to be brought to India.

Shri Harish Chandra Mathur: Mr. Chairman, Sir, I have very carefully listened to the various speeches on the Company Law Administration from the leaders of the various groups and parties and from other independent Members. Sir, Company Law Administration is important and significant and its importance can hardly be overemphasised in our present context when the tempo of industrialisation is on and when we know that we are having a heavy scheme during the Third Five Year Plan.

Understanding the great importance and significance of the Company Law Administration, the Government had all the time kept a vigilant eye and wanted to bring about necessary modifications and improvements on the administration of the Act. They had appointed a committee, and a Joint Committee of the hon. Members of this House took considerable time in going very thoroughly through the various provisions of this Bill. We are really grateful to the Joint Committee for giving so much consideration to all the various aspects of the Bill and its various clauses.

Now, the controversy in this House has raged only over four clauses. Let us forget that. In this Bill before us about 18 clauses have been omitted, quite a number of new clauses have been inserted and a number of modifications and improvements have been effected. Let us take a complete and comprehensive picture, and that picture emerges that the entire House is quite appreciative of all the changes that have been brought about in this Bill. I will deal with these four controversial clauses presently, but we must have a clear understanding of the fact that with the solitary exception of Shri Masani who, fortunately or unfortunately, found himself in absolute wilderness in this House without a single supporter on any matter, every Member of this House has supported all the provisions of this Bill except the four controversial clauses, over which we have certain opinions. They have also....

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Including Shri Ranga.

Shri Harish Chandra Mathur: .... accepted the philosophy and the thinking which has gone behind these provisions.

Shri Masani's thinking works on certain lines. He made an important observation when he said, "I will go into the various modifications later; let us know what is the philosophy and thinking which has gone into the enactment of this Bill". He argued with patience and eloquence that we must accept the philosophy of free market and free competition—unlimited free market and free competition. He went on further and literally said in this House that we must allow the right to these companies and various individuals who have their own thinking to commit suicide. They are adults and they must be given the right to go to the gutters; let them be destroyed; let them learn by competition;

[Shri Harish Chandra Mathur]

certain fresh companies and better people will take their place. As a matter of fact, he wanted the companies must have the right to commit suicide. I think this right is not given in any sane and civilised country.

We do not permit the people or the companies to commit suicide. There is a limit to which freedom can go. Let us see whether this Bill has given the most complete freedom to the companies for a healthy growth or not. We must allow all developing bodies complete freedom for healthy growth. We cannot allow them freedom to commit suicide. I wish the hon. Members of that party to realise that there is a basic difference in our approach to the entire problem and we do not hesitate to make a clear expression of the basic approach which we have on these matters. We want to give complete freedom and we do not want any interference so far as healthy growth is concerned. But we do take into consideration how far the policies accepted by Government, the policies and principles enunciated in the second and third Plans are advanced, and how far the interests not only of the company, but of the shareholders and the general public are watched. We have to take into consideration all these factors and to see that the policies and principles which we accept are advanced. That is our criterion and that is the basic difference between our thinking and the thinking of Shri Masani and his party, that the companies must have absolute freedom and because they are adults and independents, they must have the right to commit suicide.

Having said that, I venture to submit that the Bill before the House has a very balanced and judicious approach. It has been pointed out by various Members how we have tried to see that there is no concentration of wealth, over which there are questions in this House every day. We have tried to see by various provisions how the interests of the shareholders have been watched and how the company is given good health.

I will now take the various provisions to which objection has been taken, because in certain matters, I think we have not gone far enough. The first item is about inspection by special auditors. Shri Masani took great exception to two matters. One was about independent audit, and there he propounded the theory about the rights of private enterprise. His argument was that we are not trusting the auditors who are responsible people who have been appointed by the company to audit the accounts. I wish the hon. Member had given a little thought to what we are doing in repect of those companies in the public sector. The companies in the public sector have their own auditors. Still we have given the right to the Controller to send special teams to have independent audit over their head. Do you mean to say that those auditors who have been appointed by the company are not responsible auditors or less responsible people than their counterparts in the private sector? Then, we have got the Estimates Committee and the Public Accounts Committee. Will all those bodies, if we are not insulting the public sector and we are not treating them harshly, and we are fair to the public sector, can anybody who wants to take a balanced view take any objection to a special audit like this?

What I feel is that this provision that the Company Law Administration should appoint special auditors only under certain circumstances is too much of a limitation. It is not only a limitation but I think it is not a very good thing. As a matter of fact, what I want is that the Government should have a team of special auditors and irrespective of whether the affairs of a particualr company are good, bad or indifferent, these special auditors must do a certain test checking of 2 per cent, 3 per cent or 1 per cent of the accounts of all the companies every year. This will take away the disadvantage, which my hon. friend, Shri Masani mentioned, of hurting the

reputation of a company. If we conduct independent audit of various companies without imputing any motives, without saying that there is any maladministration in them, I think that objection will be taken away. This will also make the auditors very vigilant. Also, the independent test-checking by sending a special team of about 2 per cent or 5 per cent of the accounts will instil a greater sense of responsibility in the minds of the auditors and the management. Therefore, I would seek that the provision regarding special audit should be improved in this manner.

I wish my hon. friends to remember that at one time we thought, seriously thought, that the auditors of these companies should be appointed by the Comptroller and Auditor-General. After serious thought was given to that proposal, we gave it up because we thought it might unnecessarily hurt the feelings of the private sector and the business magnates that they are being forced like this. That shows how charitable this administration has been, how reasonable this administration has been and how we wish that the private sector goes ahead with a healthy growth and we provide checks only when we feel that it is absolutely necessary that certain checks should be provided. Therefore, I strongly support this provision, which is a very salutary one and I wish it should be improved upon in this manner.

Then, some hon. Members referred to selling agencies. I think I need not elaborate that point. We know how the managing agencies have transformed themselves into selling agencies and how the provisions of this Bill, which have been accepted by both Houses, are being sabotaged. Is it the intention of the hon. Members that we should not prevent this? Should we not plug the loopholes? The position is absolutely obvious. If you read the clause you will find that they want to interfere only when it becomes absolutely necessary. Even in the matter of selling agents completest freedom has been allowed to the companies, and it should be allowed. I do not grudge it. So long as we allow it to the public sector, we must give them the right for having their own organisation for sales and everything, and that is there. This is done only in certain cases. As a matter of fact, you will remember that on the floor of this House many a time this question has been asked in the matter of textiles as to why the Government have not taken over the distribution of cloth. Is there any justification? Will these people who are the supporters of the private sector, these people who want to oppose this clause, tell the House how they could justifiy on any ground why the prices of cloth have gone up like this, in spite of all efforts? It is not only we who are blaming them. Here, the trade itself is blaming the manufacturer and the manufacturer is blaming the trade. More than 30 per cent is lost between the manufacturer and the consumer somewhere—one does not know. We were given an assurance on the floor of the House through the Federation that the prices of cloth will go down. I am here to make the statement that the prices of cloth which were to go down by 20 per cent did not go down more than 5 per cent or 7 per cent and that in certain selected varieties. During the Dussarah and Pooja holidays, the whole racket continued. When prices were going up, I happened to be in Bombay, I happened to meet some people in the train. There were two merchants who were dealing in cloth and I gathered a lot of information how it has happened. Do you want the country to be held to ransom to these people who would not listen to any advice, who would not listen to any discussions on the floor of Parliament and the Government should not interfere even in such matters? I think there is a very strong case for such interference and all that.

As a matter of fact, there has been such a strong controversy about this restricted provision which stays in the

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Bill regarding contribution to parties. Before I give my views in this matter, I will dispose of the arguments which have been put forward on the floor of the House. One argument which has been put forth and which has been repeated by many Members is that you can take donations from private individuals, but not from corporate bodies, because they have not got a mind to think, it is a corporate organisation, this and that. All sorts of things have been said, that there is something very special about corporate bodies. I have not been able to appreciate it, in spite of my patient listening to these arguments. If it is correct in principle that a corporate body has got no mind to think and it cannot judiciously give donations, I think it applies equally in England and everywhere else. If corporate bodies here do not have a mind, I do not think corporate bodies in the U.K. have got a mind. So far as this argument is concerned, I do not think there is any force in it. It has been said that so far as the principle is concerned, all over the world, these corporate bodies are giving contributions to political parties. On principle and on argument, there is no force in what has been said.

Another argument which seems to appeal to many people is that because the Congress party is in power, it will take advantage of its position and have subscriptions. If this proposition is to be accepted, I think the Government should be prepared also to accept another proposition which comes from my friend's Swantantra party that the Government should walk out of office six months before the election. I think that would apply with greater force. If it is a fact that the Congress party can take advantage of its being in office and get more subscriptions, if the ruling party continues to be in power, I think there is greater magnetic force in the party being in Government than merely collecting certain subscriptions. This is the thin end of the wedge. I am talking of the argument and the principle. If you just accept this argument, you must be prepared to accept the other argument that the Government must vacate office, because it must be brought down to the same level as all other political parties in the country, whether it happens anywhere in the world or not, whether it is a feasible proposition or not. I cannot understand the sanity or the wisdom of such a proposition that the Government should be handed over to a few officers of the Government to do what they like with the country, though they are not responsible to the legislature or anybody, merely for the purpose that all the parties must be put on an equal footing. I say, therefore, that there is absolutely no force in the arguments which have been advanced so far as this provision is concerned.

Two other points were raised. One was that if you fight the elections supportd by the companies, it is not going to help matters. I have experience of this. Shri Modi was supported by various companies with all their wealth in the last elections in Udaipur where he stood against Shri Manik Lal Varma, but Shri Varma beat Shri Modi hollow in the field. At that time the Swantantra Party was not there, perhaps it was in the embryonic stage, now it will be there. So, to say that the Congress Party alone will take advantage of it is wrong.

Another argument is: what difference does it make whether a statement is made or not about the contributions? My hon. friend who spoke last made a very strong plea by saying that an offence does not cease to be an offence by being made public. Such a line of argument beats my comprehension. If there is an offence and it is made public, I think that will do far greater harm than the small subscription will be able to do good. An atmosphere, a climate will be created against such people who take tainted money; if it is known to

the public and full use is made of the information, I think it is going to do greater harm than the benefits growing out of the small amount handed over to the party.

If we take a practical view of things, the subscriptions and contributions will have to be there, but I personally feel very strongly, and in my life I have tried to translate that feeling into practice, that it is for the political parties to take greater care and caution when they accept any donation, because there is the least doubt that ill-gotten money is going to do more harm to the party that receives it than anybody else. It saps the vitality of the party, if you depend more on money than on talent and workers. It would be a very unfortunate day for the Congress or any party if it depended on contributions and donations and wanted to keep itself in power. They might have been in power over a period of years, but they will never be permitted to stay because we have a healthy country, a healthy population and healthy constituents who understand where the parties stand and what their deeds are.

My hon. friend says it will be made known after quite a lot of time. I think it should be possible to devise ways and means to see that the information is made available easily. But I would like to warn my hon. friends in the Opposition who make a complaint of this that if we ask the Company Law Administration to call for the lists of donations made to all the parties and have them published, then, possibly those people who are wanting to help the Opposition might feel shy of it.

An hon. Member: No.

Shri Harish Chandra Mathur: Then, you may turn round and say that it is operating against you.

Shri Braj Raj Singh: Do not care for us, but care for yourselves.

Shri Harish Chandra Mathur: You have been caring for us all the time in all your speeches. Will you not allow me a little opportunity to care a little for you, because you are in such a helpless condition? Let that be clearly understood.

I do not mind if these subscriptions which are made, are made known completely, because I want that the Congress should not take any tainted money; I want the Congress to be a healthy body; I want the Congress to take only such money as it is prepared to publish. My hon. friend there said 'Well, how are we to know?'. And there were open challenges thrown here, and instances were asked for. My hon. friend who spoke last, said, 'How are we to know? You are issuing licences to so many people'. I might point out that the licences which are being issued to the various parties are published every week and are known to everyone. The licences are published, and it is known to everybody as to who have been given the licences, and who are the people who have given the donations. You cannot even check that up. What is the use of merely saying, 'How are we to know, to whom the licences have been given?' These licences are not given in a neek-and-corner manner; they are given in an open manner, and they are published in the gazette for the information of everyone; you can get hold of the gazette and see whether these licences have ben tainted or they have been given this way or that way.

When my hon. friends talk of democracy, let them also understand that they have also a responsibility towards democracy, and not indulging in cheap and vague allegations which just feed unthinking people and try to carry them by certain passions and not by reason or by what is right or what they themselves would like to do. I do not want to enter into the question of how our friends opposite get subscriptions from here and there; I am not interested in that matter; I am

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only dealing with the provisions of the Bill before us.

Shri Prabhat Kar: The Bill that is before the House, after it has emerged from the Joint Committee, is a very important one, because it deals with an important aspect of the working of companies in India. No doubt, on the floor of this House, we have found a single voice which has objected to some of the provisions which have been universally acclaimed by all sides of the House. I would not have wasted the time of the House or taken note of that single voice, had it been only a single voice, but when I look into the minutes of dissent, I find that there is a minute of dissent signed by three members of the ruling party, where they have also dealt with the same subject and expressed the same apprehension and echoed the same feeling which we have found voiced by Shri M. R. Masani. I would like to draw the attention of the House to one particular sentence in their minute of dissent, which reads as follows:

> "We should not also forget that such a piece of massive legislation with such large regulatory powers to Government is bound to come in the way of foreign collaboration and investment in India."

Now, the burden of song of Shri M. R. Masani was that if such restrictions were imposed on the commercial and industrial world, they would retard the growth of the economic structure of the country, and, therefore, such restrictions ought not to be imposed.

Mr. Chairman: The hon. Member might continue tomorrow.

17 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, November 18, 1960/Kartika 27, 1882 (Saka).

[*Thursday, November 17, 1960/Kartika 26, 1882 (Saka)*]

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308	Prices of cotton	851–52
309	Industrial survey of Orissa	852
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312	Herobhanga Colony	853–54

PAPERS LAID ON THE TABLE 854–55

(1) A copy of the Woollen Textiles (Production and Distribution Control), Order 1960 published in Notification No. S.O. 2643 dated the 29th October, 1960 under sub-section (6) of Section 3 of the Essential Commodities Act, 1955.

(2) A copy of the Tea (Amendment) Rules, 1960 published in Notification No. G.S.R. 1293 dated the 5th November, 1960, under sub-section (3) of Section 49 of the Tea Act, 1953.

(3) A copy of each of the following papers :

(*i*) Report of the Indian Government Delegation to the forty-fourth session of the International Labour Conference held at Geneva in June, 1960.

(*ii*) Conclusions of the Third Meeting of the 9th Session of the Industrial Committee on Plantations held at New Delhi on the 3rd August, 1960.

COLUMNS

PETITIONS PRESENTED 855

Shri C.R. Narasimhan presented two petitions signed by fourteen petitioners each relating to the Indian Institute of Archaeology Bill, 1960 and the National Monument Commission Bill, 1960 respectively.

QUESTION OF PRIVILEGE 855-58

In connection with a question of privilege sought to be raised by Shri A.M. Tariq with regard to certain matters about the Speaker relating to the business of the House, published in the September 26, 1960 issue of the Time (Weekly News-Magazine—U.S.A.), the Speaker informed the House of the contents of a Communication dated the 15th November, 1960 received from the local correspondent of the Time magazine apologising on behalf of the Time magazine and himself for the mis-statement of fact regarding the Speaker published in the said issue of the magazine.

In view of the letter of regret, the House agreed with the Speaker to treat the matter as closed.

COLUMNS

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE . 858—63

Shri Braj Raj Singh called the attention of the Minister of Steel, Mines and Fuel to the reported change in the policy of the Government regarding the latitude given to the private sector in mining coal.

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh) made a statement in regard thereto

BILL UNDER CONSIDERATION . . . . . 863—970

Further discussion on the motion to consider the Companies (Amendment) Bill, as reported by the Joint Committee continued. The discussion was not concluded.

AGENDA FOR FRIDAY, NOVEMBER 18, 1960/KARTIKA 27, 1882 (*SAKA*) . . .

Further consideration of the Companies (Amendment) Bill, as reported by the Joint Committee, as passing of the Bill, and also consideration of the Private Members' Resolutions.

GMGIPND—LS II—1282 (Ai) LSD—24-11-60—910.